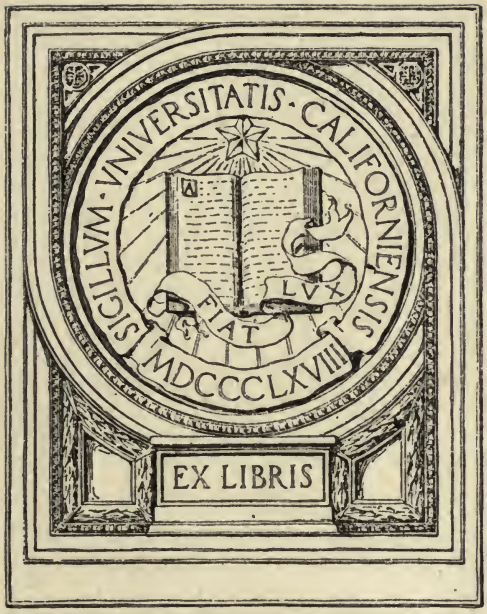
BUSINESS EMPLOYMENTS

ALLEN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BUSINESS EMPLOYMENTS

BY

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GINN AND COMPANY

BOSTON · NEW YORK · CHICAGO · LONDON
ATLANTA · DALLAS · COLUMBUS · SAN FRANCISCO

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The Athenæum Press
GINN AND COMPANY · PROPRIETORS · BOSTON · U.S.A.

PREFACE

When a young man faces the world and has to make his choice of a way to earn his living, three roads open before him, broadly speaking. The first is business, with its many lines. The second is that of the industries, which include all skilled and unskilled labor in the manufacturing and building trades and in agriculture. The third is that of the professions, such as engineering, teaching, law, medicine, journalism, and the fine arts.

This volume deals with the first of these divisions. It discusses the opportunities for employment in business.

But business itself divides into three branches — Manufacture, Trade, and Finance. Manufacturing has a business side which is just as important as the actual work of making things. Trade is buying and selling. Storekeeping, wholesale and retail, is another name for it. Finance is that branch of business which collects and preserves and distributes the supply of money on which the business world depends. We are most familiar with it in the form of Banking.

In this book, then, is collected a large amount of information about the business of manufacturing, the business of trading, and the business of finance. This has been gathered during an investigation which covered several years and extended along many lines. It embodies the facts about business pursuits brought

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together by the Vocation Bureau from its studies of many occupations, from that of the machinist to that of the lawyer.

You will find that this book presents an intensive study of three definite business lines which include and typify the general activities of the business world. The business side of manufacture is treated with shoe manufacture as a concrete example. Modern retail trade is illustrated by the department store. Finance, of course, is illustrated by a study of banking institutions.

The manufacturing industries include all mechanical or manual occupations; retail trade is typical of mercantile and commercial occupations; banking is the center of all pursuits whose nature is distinctly financial. Hence the organization of business firms and corporations, the functions and responsibilities of the various officers and business employees, the earnings, opportunities for advancement, and requirements for success, as set forth in these pages, are probably in large degree those found in business employments throughout the field of human activity.

Such is the method of this book. Its purpose is to enable young men to choose intelligently between business and other pursuits, to help make business employees more efficient, and so to render some service to those who are interested in the problems of career building.

FREDERICK J. ALLEN

THE VOCATION BUREAU, BOSTON

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BUSINESS EMPLOYMENTS

PART ONE

EMPLOYMENT OPPORTUNITIES ON THE BUSINESS SIDE OF MANUFACTURE

PART ONE

CHAPTER I

BUSINESS ORGANIZATION IN MANUFACTURE

The Executive Offices

Choice of Vocation like Making an Investment. Gathered around the evening lamp, members of the family often discuss the opportunities for employment in the neighborhood. The future of the younger members appears to their parents and themselves in the light of an investment. Mills and workshops around them may offer opportunities for the ambitious and serious. The boy still in school is aware that men a few years older than he have started from small positions in either the mechanical or the business departments of local factories and that they are now doing useful work in the world at good wages or salaries. On the eve of graduation from grammar school, high school, or college he naturally wants to know where he may find his right place in life.

One of the things a good business man wants to know about a proposed undertaking is whether it is in a declining, a stagnant, or a developing state. Suppose, for instance, an investment is to be made in real estate. Few men care to buy land in a locality where values are steadily decreasing. Nor does an investor, of preference,

buy land in a dead locality, where values through a term of years have not increased or decreased to any marked extent. Good sense suggests investment in a locality where values are increasing with the steady progress which marks natural growth.

When a young man takes up his work in the world he brings with him something of great worth. His working life is limited to a longer or shorter period. His abilities and his energy are in a sense his capital. His earnings are the interest society pays him for the use of them. He too is an investor. And, like the purchaser of real estate, it behooves him in choosing his vocation to consider, among other things, whether he is directing his energy and abilities into a field of declining, stagnant, or increasing opportunities.

Growth of the Manufacturing Industries. It is not strange if the boy or young man who has decided upon a business career wishes to be connected with the executive offices of a mill or factory. The world has many opportunities for people who can direct or manage a factory or department of a factory, and under these is an ever-increasing number of positions to be filled by capable, well-educated workers. The United States, as we shall see in statistical detail in a chapter to follow, becomes year by year more a manufacturing nation.

The manufacturing industries are a field of increasing opportunities. Within the era of active invention, in which we are living, their growth has been great and rapid. In the early years of the nineteenth century labor-saving machinery was introduced into manufacture, and it brought about an almost universal change and

expansion. Every year now an increasing number of inventions carries us farther away from the days of making things by hand. Little shops have become factories. The village tailor gives way to the retail clothier. The rural sawmill is still busy, but it has an active competitor in the vast works where Portland cement is made by the millions of barrels, to reappear in concrete houses, bridges, and factories. Fifty years ago electricity, except for its use in telegraphy, was a motive power for playthings only. To-day hundreds of millions of dollars have been invested in shops that make electrical appliances of one kind and another. Only twenty years prior to this writing not a single factory was regularly building and selling gasoline engines, phonographs, or piano players.

Enlargement of Attendant Business. The growth of manufacturing has involved a corresponding growth of the business directly connected with manufacturing. Raw material must be secured, sometimes by shipment from the most distant markets of the world, sometimes by establishing subsidiary factories. An example of the latter case is the great mills which supply wood pulp to the paper manufacturers. The raw material must be stored and cared for, and made to flow steadily into the departments of manufacture ; while at the other end the emerging stream of finished product must be distributed with equal care and economy. A factory must sell its output, and deliver it to the buyer according to the terms of the contract.

There are many activities on the purely monetary side, as well. The corporation or company must be

financed. Provision must be made to pay for the materials used, for the services of the workmen and the office forces, and for the costs connected with the running of the plant. Fuel, repairs, and insurance are among such costs. Collections must be made for all goods sold. Records of all business transactions must be kept; and the net profits must be maintained at a safe level.

The number of commercial positions in manufacturing enterprises has increased so largely that we are quite justified in describing these separately, for the benefit of those who wish to know just what is before the young person with an ambition for a business career.

Organization in Manufacture. The features of business connected with modern manufacture are very numerous and varied. To understand them, and to gain an intelligent notion of the opportunities for employment which they open, it is necessary to know something of the way in which manufacture is organized at the present day.

A small factory may have a very simple organization. The proprietor or owner, with a few assistants in the office and on the road as salesmen, himself acting as superintendent or employing a general superintendent, may control all the business features of the establishment. There are many such establishments throughout the land; often they are in the hands of some skilled worker who has made a market for a specialty of his own. A good instance from the iron trade is one of a shop where wrought and bent iron of exquisite finish is made for architectural uses, ornamental gates and fences, exceptionally fine hardware, and fire-flue accessories. This is the plant of a craftsman manufacturer.

Another shop is devoted to the making of a specially clarified steel for fine instruments. The process is more or less secret, and the business can have only a very simple organization.

Thousands of little manufactories of this simple type might be cited. Yet modern industry as a whole runs more and more to big enterprises, in which hundreds of thousands or millions of dollars have been invested, and which employ small armies of clerks and bookkeepers and other salaried people.

Responsibility for the management of the large manufacturing plants to which we are accustomed has to be divided among many men. A typical modern factory, therefore, is usually highly organized; that is, it is divided into a great many departments and subdepartments, precisely as our bodies are made up of many organs and tissues of quite different sorts and functions, yet all working together to one end.

It requires patient study to find out how the human body is organized, and how the different organs in it do their work. It requires similar study to find out how an industry is organized and what function each of the many departments in it has. If you are trying to make a choice of a vocation such study is worth while. Unless you understand how a factory is organized, you cannot hope to know what opportunities lie before you when you seek employment on the business side of it.

Dissecting an Industry: the Use of Charts. The easiest way to gain an understanding of something complicated is to take it apart. That is the way botanists find out about the structure and the working of a plant.

In just the same way, in order to understand the structure of an industrial organism, a shop or factory, you must take it apart. You must dissect it. And to dissect a thing like an industry you may begin by making what is called a chart of it.

Such a chart is printed on the opposite page. It is a typical organization for manufacture, and might represent any large industry, or even a machine shop, a structural steel works, or an automobile factory. For the sake of being definite, let us suppose that it represents the shoe industry.

The Shoe Industry. There are several reasons for selecting the shoe industry as an example. In the first place, shoemaking is intensely specialized; that is, most factories confine their output to one particular shoe or to a few styles and kinds only, building up a trade along those particular lines. Tastes and customs, styles and seasons, in this country and abroad, not only make this specializing possible, but make it the natural course to follow in an industry reaching all quarters of the globe. So we shall be studying an industry that in one sense is very simple,—in the sense that it does not produce and distribute a complex line of products.

In the second place, shoe manufacture may be undertaken with large or small capital. A man who has slight means may establish a repair shop, may deal in shoe findings and supplies, or may make a special shoe in small quantity by renting a building or part of a building and using rented shoe machinery. A man of large means, a company of men, or a corporation may engage in shoe manufacture on a scale that employs

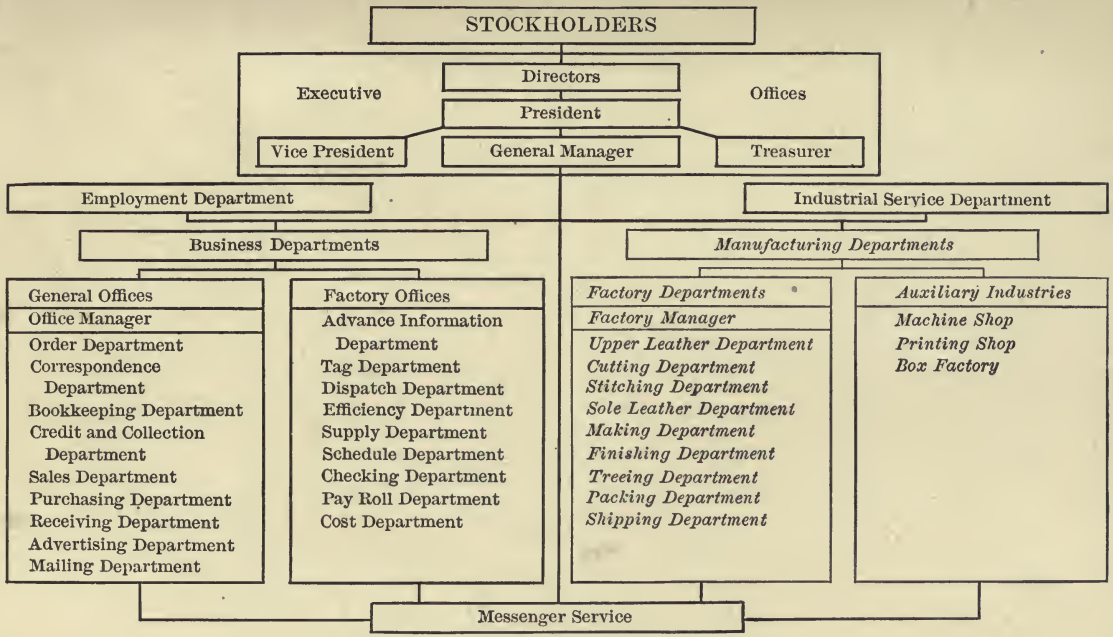


CHART OF ORGANIZATION IN MANUFACTURE

thousands of people and turns out many thousand pairs of shoes daily. In some lines of industry there may be only one or a few concerns in the country, as in the case of the Standard Oil Company, iron and steel works, or shipyards. But there are hundreds of shoe shops. So we shall be studying an industry that is widely distributed and that is conducted on many different scales of size.

Finally, we are chiefly interested here in the business activities which accompany actual manufacture, and the shoe industry is particularly rich in these. It presents opportunities for many kinds of employment; for clerks, bookkeepers, expert accountants, buyers, salesmen, executives and managers, and numerous other minor and major positions. In a factory employing 5000 people, as do some shoe factories, between 750 and 1000 are engaged in distinctly business activities. In other words, from fifteen to twenty per cent of all the people connected with the making of shoes are employed in business positions.[1]

Organization in Shoe Manufacture. What these positions are, how they are related to each other, what pathways of advancement run from one position to another, may be clearer if you will study the chart on page 11. First of all, you will notice that two different sorts of type have been used. The boxes at the top and left-hand side are inclosed by heavy lines, and their contents are printed in roman letters. The boxes at the right-hand side are inclosed by light lines, and their

[1] The statistics in Chapter IV extend these figures to other lines of industry.

contents are printed in italic type. This has been done to show the distinction of which we have just been speaking. The roman type represents the business side of the industry; the italic type represents the manufacturing side.

The chart, you will notice, is made up of three principal divisions: the Executive Offices, represented by the rectangle at the top, the Business Departments, composed of General Offices and Factory Offices and represented by the rectangles at the left, and the Factory Departments, represented by the rectangles at the right.

Two departments, you will observe, do not in this chart fall under any of the three principal divisions. They are the Employment Department and the Industrial Service Department.

If you should decide to apply for work in the real factory which is represented by the chart, the first part of the organization with which you would come in contact would be the employment department. And if you became an employee, you would find the industrial service department ready to help you improve yourself as a worker and a citizen. Such social work, or industrial service, is becoming more and more a feature of the modern factory. In fact, as an industry increases in size and in completeness of organization, the employment and industrial service departments are likely to become a fourth division in its activities, and a very important division, since they deal with the securing, training, promotion, and social improvement of an efficient body of employees.

Stockholders. To go back to the chart, the first part of the organization there indicated is made up of the stockholders. The proprietors, or stockholders, of a factory are the men who have a financial interest in the establishment. In some few cases employees invest part of their earnings in the factory, and its ownership becomes more or less coöperative. Such employees, of course, are also stockholders. This custom appears likely to become more general, for the few establishments thus owned seem to have a more evenly busy year and a higher average of earnings than most other factories in the same lines of manufacture.

The Manufacturing Corporation. The conduct of manufacture and of business enterprises under the corporate form is now general. More and more manufactures are conducted in the name of groups of people who each put a certain amount of money into the undertaking. These are organized as corporations under the laws of one or another of the states, and the amount of their contributions is represented by shares of stock. These shares, of course, may be bought and sold, and it is regarded as good management to make it easy for those who work in the concern to buy stock. Often small weekly or monthly payments will accomplish this result.

Manufacturing business could hardly be carried on to-day if investors did not join in pooling their capital under the form of the corporate charter.

Officers. The chief executive officers of a corporation usually are directors, president or general manager, secretary, treasurer, auditor, sales manager, and general superintendent. The directors are elected by the

stockholders and have the general control of the affairs of the company. The directors choose the other officers, including the heads of the several large departments, who are in turn responsible for securing employees in their departments, except where there is an employment manager over all departments. The president or general manager is the chief executive officer, responsible for the general management of the business side of the industry. The treasurer has charge of all financial affairs. The auditor reviews and approves the accounts of the treasurer. The general superintendent has charge, through department heads and subordinates, of the general work of the factory and of subsidiary plants, or usually of all affairs connected with the industry aside from those which are of a distinctly business nature.

These are the usual executive officers of an industry, but there are several positions that have resulted from modern conditions in the conduct of business, chiefly from the increasing magnitude of manufacture and trade. These deserve brief special description.

Board of Directors. The board of directors of a manufacturing organization are those persons chosen by the stockholders to act as a body in the general control of the affairs of the concern. They select the other officers and determine the main lines of policy to be followed. They are usually stockholders and represent the owners.

Executive Committee. Sometimes the directors appoint several of their number as an executive committee, to act in matters demanding immediate attention between board meetings, or regularly as an executive board. The members of this committee are usually

those directors who are in closest touch with conditions affecting a special manufacture, with its attendant business, and with the general business world. They are responsible to the stockholders, through the board of directors, for the prosperity of the company.

General Manager. Every well-conducted business has a definite head or manager. The business may have thousands of owners. It may have a great army of responsible officials, each in charge of a department. It may have an executive committee of the directors who meet every day to supervise the conduct of the business. Yet as a rule some one masterful mind dominates the policy and execution of the undertaking. Somebody is made responsible for success or failure. Very rarely does an enterprise continue for any length of time if the responsibilities are divided among a number of people and the business has no acting head.

In many large companies which conduct manufacture and its attendant business under improved methods of organization, there is found a general manager who performs duties usually met by the president of a company. The general manager is responsible for the right conduct of each department of the business and for the success of all departments working as a whole. He thus becomes the chief executive of the firm. He must be a man of large experience, of all-round ability of a high order, of prompt and accurate decision, tact, and energy.

Mill Agent. In the textile mills the general manager is called "mill agent." A mill agent combines the powers of a manager on the business side and superintendent

on the manufacturing side, and often has, also, the powers of other high officers. He is the official representative of the owners of the industry and has absolute authority in all matters connected with it. The conduct of a manufacture under an agent does away with or greatly reduces the difficulties of divided responsibility, though he may have the usual number of assistants and subordinates. He is the one person responsible to the stockholders, to labor, and to the community for the right management of the plant and its attendant business.

The mill agent must be a person of long experience in management and of business acumen. He must know men and be able to gather around himself a strong staff of assistants as heads of departments. His salary may vary from $2000 in some small manufacture to $10,000, $20,000, or more in a great corporation.

Chairman of the Board of Directors. Still another title just coming into use, especially in connection with the great railroad systems of the country, is "chairman of the board of directors." This official combines the powers of president, general manager, or other executive officers, according to the policy of the firm or corporation. He is virtually the executive head of the company.

Secretary to the President, or Secretary to the Corporation. In many manufacturing establishments there is found another important position, that of secretary to the president, or secretary to the corporation. This official may be a member of the corporation or a person from outside the concern employed in this capacity. He

is the recording officer, but in many cases he may also have executive duties to perform. He often represents the company in the consideration of matters of importance. He must have systematizing ability, capacity to handle details, knowledge of the main features of manufacture and of the business side of the industry, unfailing tact, and executive ability.

The secretary is usually one who has worked his way up through one or several of the business offices of the company, or one who has had such general business experience that he can master the problems of a secretarial position in connection with a particular manufacture. Sometimes his work is really that of a confidential adviser to the head or to the directors of the company.

The position of secretary generally commands a salary commensurate with its importance among the executive positions in a manufacturing company.

The executive officer of an association of manufacturers in a single line, such as the cotton manufacturers, or of an organization of business men or traveling salesmen is also often called its secretary.

Assistant to the President. In some cases there is found a position in certain respects similar to that of secretary, but broader in scope, — that of assistant to the president, or to the head of a company. The assistant relieves the president of minor duties, keeps him informed on matters coming up for action and on current business conditions, and acts in a general confidential and executive capacity. He must have ability to act for the president for longer or shorter periods, and may be sometimes the virtual head of the concern.

Responsibility of the Head of a Concern. Upon the ability, business methods, and personality of the actual head of a concern, whether president, general manager, mill agent, secretary, or assistant, depend in large measure the success of a company, the good will of its employees, and its reputation in a community. Personally and through his subordinates he touches the entire working force of office and factory.

Efficiency Manager. The efficiency manager is an officer found increasingly in large establishments, both in manufacture and in mercantile or other lines. He is responsible for the maintenance of the most economical and productive systems in both offices and factory. He must see that the right number of persons are employed in the offices, and that each, so far as possible, is especially adapted to his duties; that an advantageous division of work is made; and that all duties are performed with the greatest economy of time and effort. When there is no efficiency manager in a concern the office manager performs these functions in a greater or less degree; on the other hand, there may be two efficiency men, one for the offices and another for the factory.

The efficiency manager may, however, be a staff officer, and have only advisory powers.

Efficiency Engineer. When the work of the efficiency manager extends over the factory he is usually called "efficiency engineer." He must see that waste of time, material, or expense is eliminated, and that hand workers or the operators of machines are employed where their greatest efficiency may be realized. He studies the

processes of the factory in minute detail, advises or orders changes in method and the introduction of the most modern machinery, and must see that the factory operates as a unit for the production of a particular product. The following quotation from a trade magazine shows his supervision over machinery:

> The best efficiency engineers of the shoe industry are looking for interchangeable fixtures, or rather movable units. We have this idea in the sectional stitching-room bench, which enables the rearrangement of the machinery at any time in accordance with changed requirements of the business. The same idea is likely to be carried out with other work benches, although there is likely to be a lessened requirement of benches, due to increased use of racks. The permanent character of benches and racks has, to some extent, had the effect of preventing the rearrangement of machinery, and has had some influence in causing some old-established factories to come to a very uneconomical condition of cross fire in the routing of the work in many departments. With interchangeable bench units, movable benches and tables, and with the unit bookcase idea applied to sole racks, it will be possible to rearrange any department at any time to add to the convenience, to prevent wasteful labor, and to keep each department and each factory at the top notch of efficiency.[1]

Professional Efficiency Expert. The service of the efficiency manager is in a high degree that of an expert adviser. In many large cities there are now independent offices of efficiency experts who advise or take charge of efficiency studies in the general fields of business and industry. Such an expert may supervise the introduction of a filing system in an office, the adoption of a time schedule for an industrial plant, or the construction of a factory.

[1] From *Superintendent and Foreman*, Boston, May 20, 1914.

Line Organization and Staff Organization. There are two possible systems of organization for business and industry. Distinctive names have been given to them.

The first and most usual is that shown by the chart on page 11. This is called "line organization," and follows the usual scheme of president, vice president, general manager, secretary, treasurer, superintendent, and other officials and employees down to the messengers. Here we find a definite gradation for position, service, and responsibility.

"Staff organization" is a later term and means that other system of organization by which the head of a concern, as president or manager, has around him a body or staff of expert advisers. These advisers are practically independent of one another and responsible to the head of the concern only. Each one studies carefully and minutely the work of some one department of business or manufacture, and reports upon it with recommendations to the manager. Such recommendations have the weight of expert advice and enable the manager to institute necessary changes in methods and to maintain full and balanced control over all departments. The nature and the scope of staff organization is indicated by the chart on page 22.

Scientific Management. "Scientific management" is a term heard more and more frequently in the business world. It means the most economic adjustment of the forces of production to a definite end, and consists in so studying and directing the elements of manufacture and of business as to produce the largest result with the least outlay of money, time, and labor. By the

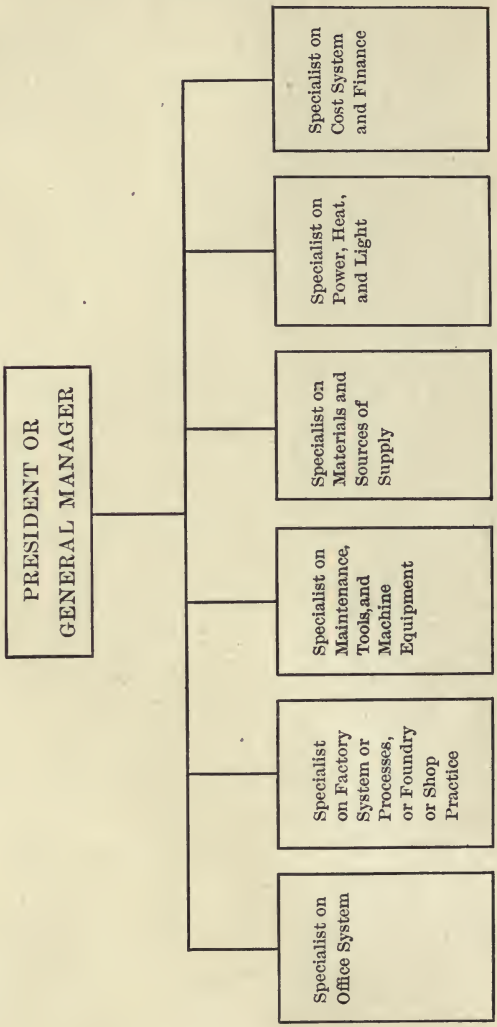


CHART OF STAFF ORGANIZATION IN MANUFACTURE

staff system of organization, with its group of specialists and experts working side by side, but each viewing the whole establishment from a slightly different angle, the management of a concern is likely to be the most far-reaching and effective.

Requirements for Executive Officers. The courtesy with which the head of a great business receives you, if there is a legitimate reason for your seeing him, the close attention with which he listens, the promptness with which he makes a decision, and the unmistakable manner he assumes when he understands that the interview is properly at an end, are very impressive to the observant youth who encounters them for the first time. As he realizes the system with which the big business man arranges his working day and the intense application he gives to each problem as it comes up, he soon sees that there is much more in being an executive than just drawing a salary and holding down an office chair. Even more impressive is it to spend a day or days in the office of the managing head of a large enterprise and to note the energy with which he deals with a considerable correspondence, each letter of which must be dictated with close regard to the fact that a wrongly chosen word may cost the firm thousands of dollars; the firmness with which he deals with complaints and charges of inferior work; the diplomacy with which he gets rid of visitors who are inclined to waste his time; and the alertness with which he grasps the suggestions and recommendations contained in special reports submitted by his lieutenants.

The executive officers of a company should, therefore,

have a thorough knowledge of the business side of the industry. They usually have had years of experience in minor office positions. It is always best, and sometimes necessary, that they should have considerable knowledge of manufacture also.

In earlier times, especially before the establishment of courses in business administration in the schools and colleges, young men who expected to become business managers often spent several years in learning the details of a particular manufacture. This course is frequently pursued still. It tends to make the business manager practical and likely to conduct the business of a factory along the lines best adapted to its particular product. At the present time many graduates of the higher institutions are entering the business departments of manufacturing concerns, some of them serving also in the factory apprenticeship.

Business officers must have high executive capacity. Except in the case of the treasurer and auditor, who should be financial experts, they must keep informed of general trade conditions and be able to foresee probable changes and developments in a particular field.

Salaries of Officers. The salaries of the chief officers in a firm or corporation range from a minimum of $20 or $25 a week, in a small factory, to $40 or $50 a week, or $2500 a year, in a factory of average size and output. They may rise to $5000 or many thousands in a large establishment. The yearly earnings of assistant officers and of the auditor are somewhat less than those of the higher positions. Persons working on a yearly salary, as do most of the important officers, have this

advantage. They do not suffer from the fluctuations and idle periods of the manufacturing year as sometimes do the employees in the factory.

Executive Offices. The offices occupied by these officials are by their nature the executive offices of a company, though they are usually closely connected with the general offices.

Employment Opportunities in Executive Offices. In the executive offices are employed private secretaries, stenographers, operators of typewriters, office boys, and messengers. The duties of these positions are like those of similar positions in the general offices, which will be presented in the following chapter.

Employment or Labor Department. The employment department, as the name indicates, has charge of hiring and transferring employees. Their discharge is usually determined by office managers or foremen under whom they may serve, though they may be reinstated in other departments by the employment manager. In a small factory a single person, with clerical help, may perform the work of this department, but in many establishments the employment department has become a highly organized and distinct division, responsible only to the head of the company or to the general superintendent. In such cases it is conducted apart from the general offices, has separate waiting rooms for men and boys and for women and girls who apply for work, and a full office force. Sometimes the foremen of the various rooms hire their own help, but in a large establishment they send requisitions regularly to the employment office, usually in the morning, as operators may be needed.

Employment-Department Methods. Employees are secured by advertising in daily or weekly papers, by placing "help wanted" signs in the office windows, through persons already employed in the factory, and less frequently through retail dealers who may sell the articles made by a certain factory. Preference is generally given those who have had factory experience, even in other lines of manufacture, and to those who live near enough to a factory to board at home or not to be delayed by street-car service in the morning.

Application Forms. Applicants are interviewed and usually required to fill blanks giving particulars of home, education, and former employment. The following are fair examples of the blank form used in many factories:

SEC. FILE NO._____ APPLICATION FOR POSITION CARD NO._____

(Name of Company)

NAME_____ CITY_____

STREET_____ STATE_____

NOW EMPLOYED AT AS	TRADE	TIME AT TRADE

AGE	WHERE EMPLOYED LAST	WHY RELEASED	HOW LONG THERE

MARRIED SINGLE	EDUCATION	WHERE	REFERENCES

RELATIVES IN FACTORIES

NATIONALITY

REMARKS

Application Blank

Date of Employment _____ *Engaged for Dept.* _____

I hereby agree that should I be employed by _____ *my engagement may be terminated without notice at any time during my employment at the option of either the* _____ *or myself.*

I also agree to join the _____ *Mutual Aid Association, after the expiration of three months, and agree to abide by the rules and regulations as set forth in its articles of government, and hereby authorize said company to deduct from my salary any assessments which may be levied by said Association.*

Name in full _____

Address _____ City or town _____

Give name and grade, also address of last school attended _____

_____

Name of last teacher _____

When did you leave school? _____

Have you ever been employed? _____

Have you any defects in sight, hearing, speech, or limb? _____

Do you smoke cigarettes? _____

Age _____ Date of birth _____ Month _____ Year _____

Are both parents living? _____ If not, which one? _____

Do you live with parents? _____

Do you live with relatives? _____

Do you board out? _____

Is anyone dependent on you for support? _____

If so, who? _____

How much do you have to contribute to their support? _____

Are you in good health? _____

What is your father's business? _____

With whom is he employed? _____

Were you ever in our employ? _____ When? _____ Where? _____

What salary did you receive in your last position? _____

Weight _____ Height _____ Complexion _____

Give the name and address of every employer you have worked for. Commence with the last and give all back in rotation to the first.

Name,	**Date Employed** MONTH YEAR
Address,	
What kind of business?	**Date of Leaving** MONTH YEAR
Reason for leaving,	
Name,	**Date Employed** MONTH YEAR
Address,	
What kind of business?	**Date of Leaving** MONTH YEAR
Reason for leaving,	
Name,	**Date Employed** MONTH YEAR
Address,	
What kind of business?	**Date of Leaving** MONTH YEAR
Reason for leaving,	
Name,	**Date Employed** MONTH YEAR
Address,	
What kind of business?	**Date of Leaving** MONTH YEAR
Reason for leaving,	
Name,	**Date Employed** MONTH YEAR
Address,	
What kind of business?	**Date of Leaving** MONTH YEAR
Reason for leaving,	

DEPT.

Have you had any employers other than those given above? _____
If so, give particulars. _____

Below, give us the names and addresses of three people who have known you more than one year, and who ARE NOT former employers, relatives, or persons with whom you have boarded.

NAME

Name, _____
Address, _____
Name, _____
Address, _____
Name, _____
Address, _____

(Reverse)

Employee's Record Cards. By the use of some filing system this department keeps, also, a record of the engagement, kind of work done, efficiency, and discharge of each employee, as indicated by the following forms:

DEPT..... CARD NO.....

EMPLOYEE'S RECORD CARD

NAME.....APPLICANT'S NO.....

ADDRESS.....

POSITION.....WORK.....

DATE FIRST EMPLOYED.....CHECK OR CLOCK NO.....

NATIONALITY.....U. S. CITIZEN.....AGE..... { MARRIED..... / SINGLE.....

TRADE.....RATE PER.....

CHANGE OF WAGES	DATE								
	RATE								

DATE QUIT CAUSE

DATE DISCHARGED CAUSE

TRNSF'D TO	DEPT								
	DATE								

WHERE LAST EMPLOYED.....

ADDRESS.....

NAME OF PERSON IN CHARGE.....

CAUSE OF LEAVING.....

LENGTH OF TIME EMPLOYED.....

DATE LEFT.....

.....

.....

.....

.....

.....

.....

THE ABOVE SPACE TO BE USED BY FOREMAN IN MAKING RECORD OF EMPLOYEE'S SERVICE AT TIME OF LEAVING

(Reverse)

TRANSFER BLANK

Old check No._____ Date transferred_____

Name_____

Address_____

Old rate wages_____

Transferred from Dept._____

Kind of work_____

Foreman must sign here_____

New check No._____

Transferred to Dept._____

Kind of work_____

New rate of wages_____

Foreman must sign here_____

Approved by_____

TYPICAL REGULATIONS FOR EMPLOYEES

To prevent, so far as possible, the happening of misunderstandings between employer and employees in the business of the _____ Company, and to arrange for a fair settlement of questions that may from time to time arise, it is mutually agreed between the _____ Company and each of its employees as follows:

1. It is the right of every employee to bring his grievances to his employer at the proper time and in a proper manner, and to fully state his reasons for them. The fact that he does so shall not be in any manner prejudicial to him.

2. Any grievance affecting three or more employees of the _____ Company, doing the same kind of work, and

not satisfactorily adjusted with the head foreman of the department in which they work, shall, upon request of any three of the employees affected, be brought before the superintendent.

3. In case they are not able to settle the matter after an honest endeavor to do so, it shall be referred to the manager or officer of the Company.

4. In case the Company or its employees are unable thus to affect an amicable settlement, both parties to the difference shall sign an application to the State Board of Arbitration and Conciliation to make a decision, and this decision shall be accepted as final and binding on both parties to this agreement.

5. When an agreement is about to be presented or pending settlement of any grievance, we and each of us agree that there will be no strike or lockout, and the employees will continue to fill their positions as if said grievance did not exist.

6. Should three or more employees cease work with the evident intention of enforcing any demand, then said employees shall not be considered employees of the _____ Company.

7. Subject to the provisions of Section 5, the Company reserves the right to hire and discharge any one at any time.

8. Should the employer fail to keep his part of the agreement, then the employee shall be entitled to and shall receive payment of double the amount of wages due him at the time the agreement is broken.

9. On the other hand, should the employee fail to keep his part of the agreement, then the employer shall have the right to retain the full amount of wages due the employee at the time the agreement is broken.

_____ COMPANY

_____, *President*

Signed_____

Date_____

RULES FOR BOYS

Superintendents will mark in ink opposite the rule violated

1. Keep your Record Card clean and whole, and where you can produce it whenever called for. Bring it with you to inspection. Commit these Rules to memory. .....

2. Stick to your post. Do not leave unless sent on business or with permission of your Supt. .....

3. Be watchful and quick to answer calls. Don't let people call twice. .....

4. Walk briskly, but do not run. Never slide on the stair railings or floor. .....

5. In going from your post go promptly and come back promptly. .....

6. Be honest and truthful. Take nothing, large or small, which is not strictly your own. Don't lie, whatever happens. .....

7. Be quiet. Don't call loudly for people unless really necessary. Never shout or whistle about the offices. .....

8. Be businesslike. Leave all play outdoors. Don't slouch down or lounge about in lazy fashion. Reading and eating in the business parts of the building are forbidden. .....

9. Be polite. Say "Excuse me," if you accidentally brush against anyone or have to disturb anyone in passing. .....

10. Never use profane or foul language. .....

11. Be clean and neat. A patch won't hurt you, but rags or dirt will. Come with shoes blacked. .....

12. Do not handle the stock except as you must in your work. .....

13. Do not mark or deface in any way the counters, walls, or any part of the store or fixtures. .....

14. Irregular attendance will **greatly** decrease the value of your services. Always come to work, and come promptly, unless you have permission to be absent, or are kept by a really serious cause; then send word by messenger or mail to Mr. _____. .....

DISCHARGED OR LEFT EMPLOY BLANK

Check No..... Locker No..... Amt. Due.....

Name..... Date..... 19

Address.....

Trade.....Dept.....

Age..... Married..... Children.....

Rate Wages..... Nationality.....

Date employed..... Left employ.....

Record	QUALITY	ATTENDANCE	CLEANLINESS AND DEPORTMENT

Cause.....

.....

.....

.....

Monday, Tuesday, Wednesday, Thursday, Friday, Saturday

.....

.....

Approved by.....

Foreman.....

Training of Employees. In the more progressive firms, employees are trained in their duties by managers and others in office departments, by foremen in the factory, and by instructors in the industrial service of the company, all of which will be described under these several divisions later in the book.

A Division of the Department. In a large, highly organized firm there are sometimes two employment departments, one dealing with the securing and transfer of office employees and the other with factory employees. As the requirements and conditions on the business side and on the manufacturing side are so different, and the

numbers of persons employed so great, with the changes in personnel constantly going on, this division is found to be an advantage and is likely to become more common in the future.

A Central Employment Office. There may be a central employment or labor office serving several factories. In such a case applicants are selected and sent, upon requisition, to the various plants for the approval of superintendents and foremen in each.

On the other hand, plants under a single ownership but situated in widely separated communities usually have separate labor departments, each drawing employees mainly from its immediate neighborhood. The smaller the community the greater is found to be the solidarity of its workers in most lines of industry. Great manufacturing corporations, therefore, are constantly opening factories in small towns where comparatively permanent bodies of employees may be obtained, even with the attendant dangers of decentralization and the added costs of management and freight on raw materials.

Positions in Employment Department. The positions in a well-organized employment department in a modern factory are the employment manager, assistant employment manager, employment agent for men, employment agent for women, secretary, stenographer, the recording or filing clerks for employees and for applicants kept on a waiting list, office assistant, and messenger boys.

Employment Manager. The position of employment manager has a peculiar and growing importance in modern industry. It is no longer practicable in industries of considerable magnitude to allow foremen and

heads of departments to hire help for their rooms or departments, as was formerly the prevailing custom, though they must still have large or decisive influence in the matter of dismissal. The increasing numbers of persons to be employed; the fact that practically nearly all training must be secured in the office, shop, or factory itself; the nature of many kinds of manufacture that demand employees having some adaptability to their processes; the restlessness of labor and the floating element that seeks immediate employment; and the more and more exacting demands for production at least cost, and for efficiency all along the line, — these and social causes make it imperative that the large establishment should have a man of the best ability and knowledge of human nature to supervise the selection, transfer, promotion, and discharge of employees. He may be called employment manager, supervisor of employment, or supervisor or director of personnel. He may hold some other high official position in a company, but he must give close attention to the problem of employment and have assistants of experience and ability in his department.

The Supply of Labor. The manufacturer generally has a labor problem that needs much of his best care and thought. When a simple little factory, however, is started in a rural neighborhood there is no especial trouble about getting employees. Sons and daughters of farmers are glad enough, for the sake of a regular wage, to take whatever positions the new mill owner has to offer. Those who incline naturally to mechanical work are hired to manipulate the machines. Others who

have clerical ability may be taken in the offices of the company. While the enterprise is small, and the surrounding country is still filled with young people anxious for chances to earn a little money, the securing of workers is not a matter of great difficulty for the manufacturer.

But presently we find a thriving manufacturing city where a short time before a single busy little factory was seen. Various shops are now competing for the services of such young men and women as will leave the farms of the surrounding country. Immigrants of many nationalities, speaking different languages, have come to the expanding city in search of work. Competition by workers for employment and by employers for the most efficient service is very keen. We see great numbers of persons constantly passing in and out of employment, especially in the large communities.

The Turn-Over of Labor. The turn-over of labor — that is, the percentage of employees changing in an establishment each year — varies greatly in different industries and localities, according to the magnitude and nature of manufacture and to factory and labor conditions. The change is greater on the factory side than on the business side. In a small, well-conducted factory, or in a manufacture whose processes require considerable skill and training, such as musical-instrument manufacture or bookbinding, the turn-over may be as low as twenty per cent. From this it runs up to one hundred per cent and sometimes even higher, in the industries whose work may be unpleasant and require little or no skill or be done largely by juvenile labor. As a

conservative estimate, the average change of labor annually in the manufacturing industries is probably about one fourth to one half the total number employed. In other words, to keep one hundred employees at work in many a factory two hundred must be hired each year. While the change is greatest in the least skilled work, in "floor people," and in the messenger service, this condition as a whole imposes upon manufacture its most difficult problem at the present time.

The Employment Problem. Wise management, then, calls for the most skillful treatment of the employment problem. The cost of manufacture, the quality of the finished product, and its sale are all dependent upon the quality and permanence of the labor secured. The employment manager should know clearly the main features and processes of the industry for which he must select workers. He should be familiar with the labor market, locally and in places at a distance from which he may have to obtain help. He should have an intelligent sympathy with workers, and should maintain, as far as possible, a helpful interest in individual cases. Above all he should see to it that justice is done to all employees. He should have such judgment of persons and abilities as to place the largest number possible, at the beginning or by transfer, where their work will result in the highest efficiency, vocational advancement, and personal growth and contentment.

The employment manager must maintain the closest coöperation with the various offices and departments of a concern, and his work includes industrial service when that has no separate organization.

The Industrial Counselor. Industrial counseling is a new function in the business world, and rises clearly into the professions. The industrial counselor is one who advises a concern in regard to its labor problems. He deals with questions of organization; of the personnel of employees, their selection, training, and discipline; of rates and methods of pay; of labor unions and labor laws; of public standards and the relation of a concern to the public, especially in matters of safety, sanitation, health, and regularity of employment. He studies and makes an audit upon the human relations in industry.

The industrial counselor works in close coöperation with the employment manager, and he must be in active touch with the economic, industrial, social, and political forces of the day. His work marks an important step in the increasing demand on the part of the public and of the business man to know the industrial status of a business or manufacturing concern. He should serve equally the employer, the employee, and the public.

The Industrial Development Expert. The industrial development expert is one who makes a study of trade and manufacturing opportunities, both domestic and foreign, and advises capitalists, business men, or commissions upon expansion into new fields. He must learn local conditions and be able to estimate probable business and industrial changes along particular lines.

CHAPTER II

THE GENERAL OFFICES

The General Offices. Office divisions, executive, general, and factory, have already been indicated. The general offices are those in which are conducted the purely business features connected with manufacture. They comprise the following departments: Order, correspondence, bookkeeping, credit and collection, purchasing, receiving, advertising, mailing, and sales departments. They are here treated in the sequence in which business usually passes through them when an order is received for an article to be manufactured.

The offices for employment, sales, and shipping are usually found on the first floor of a factory; other offices on the second or third floor, convenient to one another and to factory departments, for the expediting of business and of manufacture. Some of the large companies have a separate administration building for the offices.

The Office Manager. In factories employing several hundreds or thousands of people there are so many found in the business offices that supervision of these offices becomes necessary, just as in the factory itself. The term most used for the head or superintendent of the offices is office manager. This person must know thoroughly the duties of each office, their interrelations, and the special systems of doing business that are used

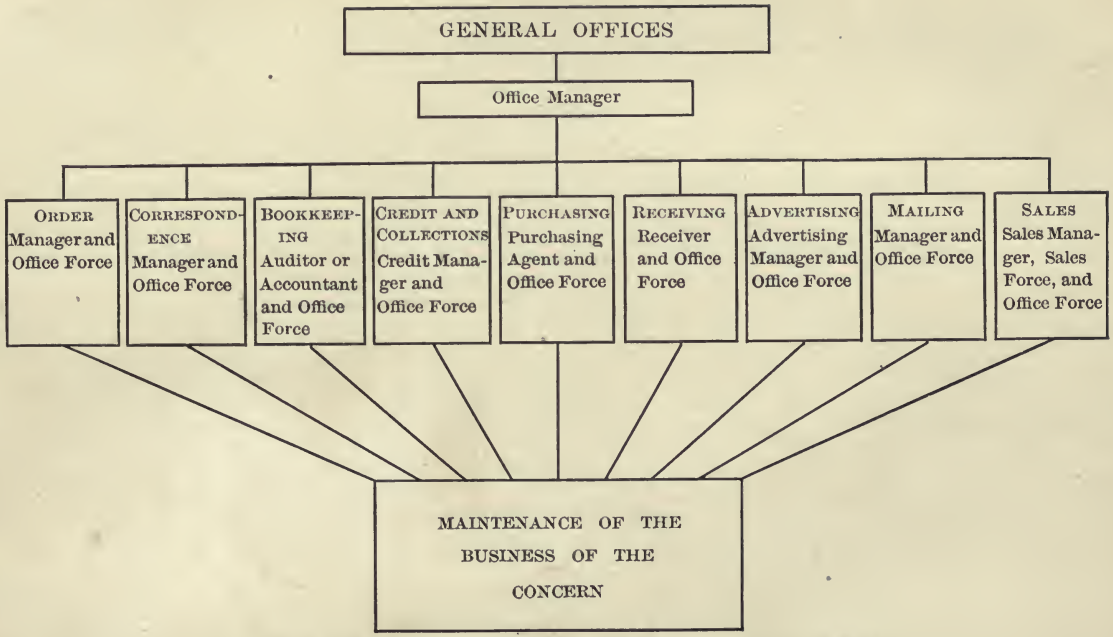


CHART OF THE GENERAL OFFICES OF A MANUFACTURING COMPANY

in each. He must see that each office has the right number of employees, that their work is satisfactory, that the methods of the office are efficient, and that business goes through on schedule time. He must make office system as exact and efficient as factory system. The office manager has usually served an apprenticeship in some or many of the offices, and may have studied in a school of business administration. He may be a director of the company. He ranks close to the executive officers, and receives a salary nearly as high as theirs. Some of the most progressive shoe companies are now using the term "efficiency manager" for the person in charge of the business offices.

The Order Department. The order department takes charge of all orders for articles to be made in the factory. Orders may come directly through the sales department, or indirectly through the cost department, which estimates all points of expense to be met in making the article called for in each order. The credit department, also, passes on credit in case of need, before orders can be acted upon. All other matters connected with the written order are handled by the order department, and every order must be approved by the manager of the department. These features are shown on the order form here reproduced. From this form are printed the tags by which articles are actually made.

The Receipt and Handling of Orders. Twice a year in most factories, in the spring and fall when the salesmen are on the road, orders may accumulate far beyond factory capacity. For instance, in a factory capable of turning out 15,000 pairs of shoes a day, the excess orders

Class off.....

Lasts off.....

Soles off.....

Patt. off.....

No.....

(Name of Company)

TERMS		
GOODS ORDERED TO BE MADE		
2 Per Cent	1 Per Cent	Net
10 Days	30 Days	60 Days
GOODS ORDERED FROM STOCK		
Net 30 Days		

Send to.....

Date.....19

Of.....

Ship via.....

Ship about.....This order consists of.....Pages File No.....

(Orders entered upon our books cannot be countermanded except with our consent and upon terms that will indemnify us against all loss.)

Salesman.....

All orders subject to approval by the house.

Sample No.	Prs.	Kind	Tip	Last	Width	For Factory Use Only	Sizes															Special Detail	Sole	Edge	Heel	Price
							1	1½	2	2½	3	3½	4	4½	5	5½	6	6½	7	7½	8					
							1	1½	2	2½	3	3½	4	4½	5	5½	6	6½	7	7½	8					
							1	1½	2	2½	3	3½	4	4½	5	5½	6	6½	7	7½	8					
							1	1½	2	2½	3	3½	4	4½	5	5½	6	6½	7	7½	8					
							1	1½	2	2½	3	3½	4	4½	5	5½	6	6½	7	7½	8					
							1	1½	2	2½	3	3½	4	4½	5	5½	6	6½	7	7½	8					
							1	1½	2	2½	3	3½	4	4½	5	5½	6	6½	7	7½	8					
							1	1½	2	2½	3	3½	4	4½	5	5½	6	6½	7	7½	8					
							1	1½	2	2½	3	3½	4	4½	5	5½	6	6½	7	7½	8					
							1	1½	2	2½	3	3½	4	4½	5	5½	6	6½	7	7½	8					
							1	1½	2	2½	3	3½	4	4½	5	5½	6	6½	7	7½	8					
							1	1½	2	2½	3	3½	4	4½	5	5½	6	6½	7	7½	8					

With forms at 40c. per pair?

ORDER FORM

may reach half a million pairs. There follow, accordingly, two busy seasons of manufacture, in general from four to six months each. The more highly organized the factory, the better the excess orders are distributed and the more continuous is the employment.

Exact records are kept of the receipt of orders, of their totals, and of their disbursements or sending on to the factory each day, and an order report is issued every week. The department keeps, also, a record of shoes cut, so that it may know the exact conditions or progress of manufacture. It decides when orders shall start on their routine course through the factory and sends them on their way.

Special Schedule and the Day Sheet. All orders are transferred carefully to cards which are filed in geographic divisions, usually in two sections, as rush orders and regular orders. The rush orders are placed on a special time schedule, allowing to each department of the factory a given length of time for the work to be done there. Regular orders are put on the day sheet and take a general course through the factory. The day sheet is a very important feature in shoemaking and is used in nearly all factories. It includes all particulars to be followed by factory departments in making each lot of shoes.

A Typical Day Sheet. The cutting-room portion of a typical day sheet is printed on page 44. You can readily see that the preparation of it involves much time and care and an accurate knowledge of the meaning of the terms and numbers appearing in its columns.

REGULAR CUTTING SHEET, APRIL 3, 1913

4/3/13

Office	10.30 4/3	Lin. Mak.	12.00 4/12	B't'nholes	3.00 4/16
St'k Sort	5.30 4/4	Fox St'ch	3.00 4/13	Pumps ½D. Later	9.30 4/17
Cutting	11.00 4/7	Box Toes	3.00 4/11	Tags off at V'ping	9.30 4/17
Skiving	8.00 4/9	Tip St'ch	5.30 4/14	Pumps 2D. Earlier	9.30 4/15
To St'ch R'm	9.30 4/9	Top St'ch 1st R'm	3.00 4/15	St'ch 2d R'm	5.30 4/17
Closing	9.30 4/11	Pumps 1D. Later	3.00 4/15	Dispatch Dept.	4/23
				Dispatch Dept. Hustles	4/21

39204 36 B	39274 36 BN	39329 36 B	39384 36 B	39437 36 B	39497 36 BN	39471 36 SPN
207 36 B	275 36 BN	330 36 B	385 36 B	438 36 B	498 36 BN	472 36 SPN
208 36 B	276 36 BN	331 36 B	386 36 B	439 36 CTN	499 36 BN	473 36 SPN
209 36 BN	277 36 BN	332 36 B	387 36 B	440 36 N	500 36 BN	474 36 SPN
210 36 BN	278 36 BN	333 36 B	388 36 B	441 12 B	501 36 B	475 36 SPN
211 30 BN	279 36	334 36 B	389 36 B	442 36 B	502 36 B	485 36 SPN
212 24 BN	280 36	335 36 B	390 36 B	443 36 B	503 36 B	523 36 SPN
213 36 B	281 36	336 36 B	391 36 B	444 36 B	504 36 B	524 36 SPN
215 30	282 36	337 36 B	392 36 B	445 36 B	505 36 B	
216 36 B	283 36	338 36 B	393 36 B	446 36 B	506 36 B	
217 36 B	284 36	339 36 B	394 36 B	447 36 B	507 36 B	
218 24 B	285 36	340 36 B	395 26 B	448 36 B	508 36 B	
219 24 B	286 22 B	341 36 B	396 24 B	449 36 B	509 36 B	
220 24 B	287 10 BN	342 36 B	397 31 B	450 36 B	510 36 B	
221 36	288 5 BN	343 36 B	398 30 BN	451 36 B	511 36 B	
222 36	289 17 BN	344 36 B	399 30 BN	452 36 B	512 36 B	
223 36	290 16 B	345 36 B	400 36 BN	453 36 B	513 36 B	
224 24 B	291 5 B	346 36 B	401 33 B	454 36 B	514 36 B	
236 36 B	292 10	347 36 B	402 36 B	455 36 B	515 18 B	
238 36	293 31	348 36 B	403 36 B	456 36 B	516 18 B	
239 36	296 30 B	349 36 B	404 36 B	457 36 B	517 36 B	
240 12	297 36 CTN	350 36 B	405 36 B	458 36 B	518 36 B	
241 24	298 24 BN	353 36 B	406 36 B	459 36 B	519 36 B	
242 36 B	299 36 BN	354 36 B	407 36 B	460 36 B	520 36 B	Lots 323
243 36 B	300 36 BN	355 36 B	408 36 B	461 36 B	521 36 B	
244 36 B	301 36 BN	356 36 B	409 36 B	462 36 CTN	522 36 B	

A TYPICAL DAY SHEET

Positions in the Order Department. The usual positions in the order department are the office manager or head, the assistant office head, the clerks for figuring, copying, reviewing, and tabulating, the stenographers, and the messengers.

The Correspondence Department. In a very small factory each office division may take charge of its own incoming and outgoing mail; but in most factories a separate correspondence department is necessary.

Such a department handles all the business correspondence of the firm. It receives, opens, sorts, and

answers the mail, or distributes to the different offices letters which need the special attention of a department. It answers letters of a general nature, such as deal with orders, complaints, deliveries, or transportation claims. It sends stenographers to the various offices upon call to take dictation. Then the letters are typewritten in the correspondence department, submitted to their authors for approval or signing, and mailed from the correspondence department, or turned over to the mailing department. Some firms allow the firm name only to be signed to letters.

All letters and replies are kept on file, ready for department call at any time.

Positions in the Correspondence Department. The positions in the correspondence department are the head of the department, the assistant head, the clerks for opening, distributing, and filing letters, the stenographers, the operators of typewriters, and the translators of foreign languages, such as Italian, German, French, and Spanish. A large manufacturing concern may be in touch with all parts of the world.

The Stenographic Department. In some cases there is a separate stenographic department, from which stenographers go out to the various offices for dictation. In large establishments, however, the introduction of the dictograph is likely to decrease the demand for stenographers but not that for operators of the typewriter.

The Bookkeeping Department. The bookkeeping department has charge of the records of the business operations of the entire industry. It sends bills for all shipments to customers, and places these invoices in their ledger

accounts. It sees that payments are made for all purchases and correctly charged to department accounts. The bookkeeping department sees that all accounts are correctly kept, draws up a balance sheet and a profit and loss statement every month or oftener, and shows labor costs and department expenses at regular periods.

Positions in the Bookkeeping Department. The positions in this department are the auditor, the cashier, the head bookkeeper, the bookkeepers, the invoice or billing clerks, the checking clerks, the general clerks, the stenographer, and the messenger.

A Typical Balance Sheet. On pages 48 and 49 is given a balance sheet showing the great variety of transactions entering into modern manufacture.

The Credit and Collection Department. This department makes a study of the financial standing of customers, decides what business shall be accepted by the factory, and has charge of collecting all accounts. It keeps a careful record of all orders received for goods to be made by the factory, whether these orders are accepted or rejected.

While this department is the farthest removed of all the business departments from actual factory operations, yet it determines in a very large measure the prosperity of the industry. It must study the reports of financial agencies and the general condition of the business world. Action by this department precedes the filling of orders by the factory and follows the delivery of goods to insure payment for them.

Positions in the Credit and Collection Department. The positions in this department are the manager of credit and collection, usually called simply the credit manager,

the assistant credit manager, the general clerks, the credit filing clerks, the stenographers, and the messengers.

The Credit Manager. The credit manager holds a position of very great and peculiar responsibility. He is responsible for enforcing the policies of the company in accepting business and in collecting accounts. Often he must himself determine these policies. He is responsible for the accuracy and right interpretation of all information about customers, both those already on the lists and those seeking to buy goods for the first time.

He should know all customers, personally if possible. He must possess the rarest tact, in order to hold customers as friends of the firm, not allowing them to turn to competing firms or, in case of being denied credit, to do anything to the injury of the company with other customers or with the general public.

The importance of the credit manager's work ranks with that of the head sales manager. The latter determines what business shall be sought; the former, what business shall be accepted and how payment shall be handled. Each is responsible for the right standing of the company with the distributing retail agent or dealer, and upon a right relation between the manufacturer and the dealer depend both the volume of business and the success of manufacture.

The credit manager, or "credit man," as he is often called, may be a member of the corporation. He must be a person of good judgment and thorough knowledge of financial conditions in the world of trade, and of keen business insight. His services are indispensable and command a salary among the highest paid by a company.

BALANCE SHEET

ASSETS					Increase		Decrease	
FIXED ASSETS								
1 Real estate and fixed plant								
2 Machinery, tools, horses, and wagons								
3 Patents and trade marks								
4								
INVENTORY ASSETS								
5 Bottom stock								
6 Heel stock								
7 Supplies and findings stock								
8 Trimmings stock								
9 Upper stock								
10 Stock in process								
11 Distributing-dept. stock								
12 Shipping-room stock (goods sold)								
13 Chicago stock								
14 St. Louis stock								
15 Samples and sample trunks								
16 Job-dept. stock								
17 Retail-depart. stock								
18 Advertising stock								
19 Dies, lasts, and patterns								
20 Hollow fillers								
21								
CURRENT ASSETS								
22 Cash								
23 Accounts receivable								
24 Notes receivable								
25 Personal balances								
26								
INVESTMENTS								
27 ——— Shoe Co.								
28 Retail stores								
29								
SUNDRY ASSETS								
30 Insurance paid in advance								
31 Interest paid in advance								
32 Sundry assets								
3								
Total assets								
LIABILITIES								
34 Accounts payable								
35 Notes payable								
36 Personal balances								
37 Relief fund								
38 Wages accrued								
39 Royalties accrued								
40 Taxes accrued								
41								
Total current liabilities								
RESERVES								
42 For discount to be taken by customers								
43 For bonuses for salesmen								
44 For inventories								
45 For bad debts								
46 For depreciation								
47 For investments								
48 For contingencies								
49								
50 Capital stock								
51 Redemption reserve								
52 Surplus								
53								

Remarks:

GAINS AND LOSSES For.....Months ending.....

	Total since Stock Taking	Comparison of Expenses
MANUFACTURING EXPENSES		
1 Cutting loss		
2 Cripples, labor, and material		
3 Depreciation of equipment		
4 Expense, labor, and salaries		
5 Freight and express		
6 General expenses		
7 Insurance		
8 Job-dept. loss		
9 Light, heat, and power		
10 Maintenance and repairs		
11 Office supplies		
12 Recreation dept. and restaurant		
13 Taxes		
14 Teaming		
15 Telegraph and telephone		
16 Trial shoes		
17		
18		
DEDUCTIONS FROM EXPENSE		
19 Cutting gain		
20 Sorting gain		
21 Factory retail-store gain		
22 Sales of scrap needles, etc.		
23		
NET MFG. EXPENSE		
24 Allowance on output for expense		
25 Excess mfg. expense		
SELLING EXPENSES		
26 Advertising		
27 Sales dept.		
28 Distrib.-dept. cleanups loss		
29 Distrib.-dept. expenses, over % of sales		
30 Chicago expense " " " "		
31 St. Louis expense " " " "		
32 Retail-store operations		
33		
34 Net selling expenses		
35 Allowance on output for selling		
36 Excess selling expenses		
MISCELLANEOUS EXPENSES		
37 Allowances to customers		
38 " for bad debts		
39 Cost of collections		
40 Interest		
41 Legal expenses		
42		
43		
44 Discount received		
45		
46 Total excess expense		
PROFIT AND LOSS		
47 Percentage on factory output or shipments		
48 Less expense in excess of allowance		
49		
50 Discounts not taken by customers		
51		
52 Gain		
53 Previous surplus		
54		
55 Less dividends paid		
56 Balance surplus		

SHIPMENTS

57 Net total for month
58 Net total since stock taking
59 Net total for same period last year
60 Mfg. and misc. expenses are...% on output since stock taking....% for current month alone
61 Selling and adv. expenses are...% on output since stock taking....% for current month alone

A STATEMENT FROM AN EMPLOYER

The credit manager has one of the most delicate positions in industry, for, on the one hand, he may, by too drastic exclusion of risks, eliminate so great a proportion of the company's business, and alienate so many customers, as to seriously cripple the work of the sales department; while, on the other hand, he may, by too great tolerance, assume risks that result in losses so great as to wipe out profits and impair capital.

I have become more and more impressed with the necessity of picking credit men possessed of unusual tact and good personalities. I have seen in active operation the result of a credit man who was able to hold the confidence of his salesmen, and even to persuade customers that the company was reasonable in asking cash rather than extending credit. A firm can afford to pay such a man almost any salary within reason. On the other hand, a man, no matter how brilliant his intellect, who handles the matter merely mechanically is worth less in credit work than in almost any other position in the manufacturing industry.

The Purchasing Department. The purchasing department has charge of buying the various materials and supplies used in the conduct of an industry, both on the factory side and the business side.

Such purchases are made upon requisition from the supply rooms or from the departments of the factory. Buying is sometimes divided among several offices or factory departments, but in the well-organized, centrally controlled factory the purchase of materials is carried on as a single large function, and is highly specialized.

In shoe factories, the goods to be bought fall into six divisions:

1. Upper leather, the many kinds of thin and medium weight leather that are used in making the upper parts of shoes.

2. Sole leather and counters, the heavy leather used in making the bottoms of shoes, aside from the heel.

3. Shoe findings, — the buttons, strings, buckles, and other parts that are usually manufactured in special factories, bought by the shoe factory, and added to the shoe in its last stages of making.

4. Heels, welting, and miscellaneous supplies. Heels and welting are generally made in special factories, being of such importance as to call for separate manufacture and purchase. Heels come in block form ready to nail to the sole. They are made from remnants of sole leather or from substitutes for leather. The miscellaneous supplies are those used in factory maintenance and repairs.

5. Machine parts, for the renewal of the various machines used in the modern shoe factory.

6. Restaurant supplies, or the equipment and foodstuffs used in the lunch rooms maintained by most factories for their employees.

The purchasing department keeps a set of stock books and compares the orders given with receiving-room statements of the goods received. It turns the bills over to the bookkeeping department when they have been approved for payment.

Positions in the Purchasing Department. The positions in this department are the purchasing agent; the assistant purchasing agents, usually one for each of the six divisions just enumerated; clerks for each of these divisions; the bill clerks, to examine and check all bills; the receiving clerks; and the stenographers.

The Purchasing Agent. The purchasing agent in a modern industry has a very large responsibility. Saving money in buying raw materials for manufacture is as important as selling manufactured goods at a reasonable profit. If the purchasing agent effects a saving of one half cent in the cost of material for each article made in a factory and 20,000 of the finished product are put out

each day, as happens in many cases, the total saving each day is $100, and for a year of three hundred working days it is $30,000.

The purchasing agent, therefore, must be one of the ablest men connected with a concern. He must have extensive knowledge of business conditions and of probable changes in supply and demand, and of consequent changes in the price of the materials necessary to the industry he serves.

He must know fully the sources of supply. Sometimes he must even create a supply, if necessary, by causing his company to establish a subsidiary factory for its production. He must understand the nature of the materials to be purchased, the current market prices, and the prevailing rates of discount. He must often give contracts for materials months in advance of their production or delivery to the factory.

The purchasing agent must see that his department, on the business side, maintains constantly an adequate supply of all materials entering into manufacture, in accordance with the requirements of factory departments.

The Receiving Department. To the receiving department come the supplies and materials to be used in the factory business offices. The department is usually notified by the purchasing office that goods have been ordered and are to be received. All goods received are checked off and examined for number and quality. The department keeps a record of all receipts, sending a duplicate to the purchasing office. It keeps, also, a record of traffic costs, making charges back to the shippers of goods when necessary.

Supplies and materials are kept in supply rooms, or sometimes in a separate supply department until needed in the factory. Notice is sent to the purchasing office when it is time to reorder. Materials taking up considerable space, such as upper leather and sole leather, are usually received, recorded, and stored in their appropriate factory departments.

The Job Room. The receiving department also takes charge of manufactured goods that have been returned by customers. If they are stock goods and not returned because of damage, they go back to the stock of the factory. If, however, such goods are odd lots or are returned through some fault in their manufacture, they are frequently disposed of in the job room, which is maintained in connection with the receiving department. Such a room sometimes constitutes a retail store. Besides selling job lots to small dealers, it may sell regular stock goods as well as returned goods to the employees of the factory, or even to the general public.

Positions in the Receiving Department. The positions in the receiving department are the superintendent, who may be supplied by the purchasing department to insure a close connection between the two departments; the receiver, or foreman, for goods received directly in factory departments; the quality man, who examines goods received as to their genuine value; the assistant receiver; the clerks for checking and recording; the stenographer; the freight handlers; the head of the job room; and the job room clerks.

The Publicity Department. The growth of advertising has been the most conspicuous development of recent

years on the business side of industry. Formerly, even in the case of large factories, one or two persons, who might also have other duties, attended to the work of publicity. Within a very few years, however, with the increase of the number of manufacturers in each line and the constant searching for wider markets, advertising has become a distinct department with a separate office force. In some cases still, as in earlier times, a manufacturer may depend upon the wearing qualities and style of his goods to insure a constant or an increasing trade; but, with competition, the higher cost of materials and decreasing margins of profits, the largest possible trade is sought by most manufacturers.

The advertising department has charge of making the product of a factory known to the general public. It employs experts and uses the latest methods of publicity. Such work has become twofold: general advertising, which is an enlargement of the earlier work; and local advertising for retail dealers, a form resulting from recent expansion in trade and comparatively unknown to the earlier manufacturer.

General Advertising. The first division, or general advertising, places advertisements in the leading publications of the country, or the daily and weekly press, the standard magazines, and the trade papers. It issues richly illustrated catalogues setting forth in detail the merits of particular factory products. Some large firms print as many as a million or a million and a half copies of a single catalogue. The department usually adopts a motto or trade mark which appears in all its advertising, and in most cases is stamped or embossed upon the

product itself. The advertising department in many cases conducts a special campaign of publicity twice annually, in the spring and fall of the year.

The printing department now found in many large factories is a result of the demand of the advertising department for increased printing, and is a means of lowering the cost to the factory of the extensive advertising of the present time.

Local Advertising. The second and distinctly modern division of advertising in manufacturing industry, now followed by the more progressive firms, is that of providing plans and material for publicity for retail stores, whether conducted by the firm itself or by other persons. The department thus acts as the local advertising agent of the retail dealer, preparing advertisements to be inserted in local papers, supplying printed information to be given the customers of the store, and originating designs for signs and plans for the display of goods. The expense of such advertising is borne by the manufacturing company.

The Art Department. An art department is sometimes maintained in connection with advertising, to create designs and make illustrations for catalogues and for placards or other material to be used by the local dealer.

Sometimes firms not having a large advertising department submit their ideas to regular advertising agencies which prepare the material desired for the retail dealer. Some firms also employ extra persons in the art department during the periods of the two annual advertising campaigns of the year.

The advertising department of a manufacturing company must study general trade conditions, the prosperity of the country, and the amount of business likely to be done each season. It must advise the executive departments of the amount of money to be used in advertising, which may amount to as much as two per cent of the estimated trade. Only on the basis of such information can the detail for advertising be laid out, both for the general and local fields. All plans for advertising are usually submitted to executive approval before going into effect, as they control in large measure the trade of a coming season.

The Advertising Manager. The advertising manager must be an authority on general merchandising conditions. He must be able to present merchandise effectively to that part of the public likely to buy a particular factory product. He must understand the problems of the traveling salesmen of his firm, and something of the more important details of manufacture. He is responsible for the policies, methods, and success of the advertising of the company.

The assistant advertising manager is usually responsible for the creation of special ideas and plans, and for the preparation of copy or other publicity matter.

The Display Rooms. In connection with the advertising department display rooms are sometimes maintained in which are shown the latest methods of general and local advertising.

Positions in the Advertising Department. The positions in the advertising department are the advertising manager, one or more assistant advertising managers, the

general clerks, the stenographers, the artist, the assistant artists, the foreman of the mailing division, the addressing clerks, the foreman of the advertising stock rooms, and the bundle boys or shippers of advertising material.

In the busy seasons the number of people serving in these positions may be doubled.

The Mailing Department. The mailing department has charge of sending out all mail connected with the business of the company, except the bulk mail and pamphlets that may be sent out by the advertising department or other offices.

The mail of a manufacturing concern may be very large, both domestic and foreign. The addresses of local retail dealers or agents of a factory, as they are usually called, may number thousands. Addressing letters to them all by hand would be out of the question, so the names are set in rubber type and printed on the envelopes by an addressing machine which runs at about the rate of an ordinary printing press. Many large factories send out from one to two thousand letters a day, besides a great mass of other material.

The work of this department has been largely increased by the introduction of the parcel post. In some cases a clerk or other person is furnished by the neighboring post office to register mail and stamp parcel-post packages.

Positions in the Mailing Department. The positions in the mailing department are the manager, the assistant manager, the addressing clerks, and the mailing clerks. In cases of need extra clerks are called in temporarily from other offices.

The Sales Department. This department is sometimes called the sales and agency department. With the help of the advertising department it is responsible for the sale of the product of the factory to the retail trade. It works mainly through traveling salesmen, and increasingly, in the case of large factories, through retail stores conducted by the factory itself. In some cases a factory establishes stores in the large retail centers of the country, thus creating a chain system, or branches for the distribution of a single product.

By individual conferences or by class-group work this department instructs its salesmen in information necessary to their duties and in the presentation of merchandise to the retail dealers. It keeps a record of all dealers in a single line in the United States and in the foreign markets which open more largely each year, and of local trade conditions in all towns of 500 population or more. It handles correspondence with salesmen on the road, giving them advance information and keeping a record of their daily movements and of the sales of individual men and of the total sales by towns. It compares sales by seasons in total and for each salesman.

From information gathered by salesmen and by a study of the general field of manufacture, the sales department determines styles to be used or in demand each season. Frequently, also, the department has a person who makes a special study of styles and patterns.

Often a factory deals with only one retailer in a town, on the condition that this retailer shall sell exclusively the product of the factory.

Other Methods of Securing Business. In addition to the solicitation of business by the traveling salesmen, it is sought, also, through correspondence, advertising material, and samples of styles and lines. This last method of securing business is being used increasingly, especially in the case of small towns and scattered retail trade. Use is made of statements carefully prepared by the advertising department, and circulars especially adapted to reach the kind of trade desired. A late and effective method used by the sales department in the shoe industry is that of sending out trunks containing samples of shoes of the styles and lines of the coming season. Such trunks, sometimes called "silent salesmen," may contain samples of from 50 to 100 or more styles, and usually travel from one dealer to another. The retailer receiving these samples selects and orders from them the particular styles he desires for the coming season. This method saves the expense of a traveling salesman, and brings to a factory trade it would not reach in many cases. If the product of the factory is maintained at the standard shown by the traveling samples, continued trade is assured. Some factories sell in this way from 50,000 to 100,000 pairs of shoes annually.

Some concerns, through their sales offices, deal mostly or in part with large jobbing houses, which in turn supply the retail dealer. Such factories may have a fully equipped and active advertising department, but necessarily a small sales department and few traveling salesmen. Yet the individual sales of each man are large. Frequently, also, the buyer of the jobbing house comes to the sales office of the factory to make his purchases.

A Statistical Division. Sometimes the sales department conducts a statistical subdivision or department which gathers and supplies to the retailer information as to the popularity of certain styles already upon the market and the probable demands of a coming season.

The Sample Rooms or Sample Department. Elaborate sample rooms are maintained in many factories, and in some cases in the large cities also, as local offices or branches of the sales department. Sometimes these rooms are organized as a regular department. They are always well located and well lighted, and in them is kept a complete line of samples of all the styles and kinds of the factory product.

These samples are changed twice a year, in the spring and fall, showing always the latest styles, or those of the coming season. Customers in the trade coming from all over the world here inspect the products of the factory and give their orders. In earlier times this was the chief way in which a factory disposed of its product. Nowadays only a small proportion of the total sales is made in this way, the greater number being made by the traveling salesman. The sample rooms are also generally used as headquarters by the salesmen when they are not away from the factory. There is of course a constantly increasing mail-order business in most lines of manufacture.

Positions in the Sales Department. The positions in the sales department are the sales manager, the assistant sales manager, the traveling salesmen, the router of sample trunks, the correspondence clerks, the catalogue clerks, the stenographer, and the messenger.

The usual positions in the sample rooms are the sample clerk, clerks, and stenographer.

The Sales Manager. The chief function of the sales manager is well stated in the following quotation:

> The sales manager's principal duty is to *assist* the salesmen in selling goods, and this assistance should largely come in doing things that the salesman on the road has not time to do, such as laying out the territory, giving a list of customers in that territory and also a list of prospects, checking up a salesman on his route, not for the purpose of spying upon him, but for the purpose of pointing out to him, in every possible way, places and customers where there is a chance for him to sell goods, and, after the salesman has left the town, to keep the memory of the salesman's visit green in the mind of the customer by follow-up letters and advertising helps.
>
> The sales manager should keep the salesman constantly informed as to conditions on the salesman's territory. He should notify him of complaints, notify him of mail orders, and treat each and every customer as his own personal customer *held in trust* by him until the salesman calls again.[1]

The Traveling Salesman. The position of traveling salesman is so important in a department which dictates to a large degree the policy of manufacture, that it deserves special treatment. A salesman is not likely to be produced by actual factory service. In the great majority of cases the person chosen for this field must be a young man of attractive manner, bright and clean-cut, tactful and resourceful, and of marked ability to acquire for his firm information upon trade and style conditions. Frequently he is selected from the retail store. He usually serves an apprenticeship of six months in the stock-goods department or in the sales

[1] *The Shoeman*, February, 1914, Boston.

department, to learn styles and qualities. Then in the sales office he learns methods of selling and the conditions put upon the salesman. He becomes familiar with the correspondence between the firm and its customers. Then he goes upon the road, following, even after many years' service, a route laid out for him by the sales department.

Educational or Other Requirement. There is no especial education required, but most traveling salesmen in recent years have had high-school training. Frequently now, however, college graduates are entering the work because of its promise of opportunity and financial return. Knowledge of a foreign language is necessary to selling in a foreign field.

In selecting salesmen the firm takes into account the place of residence or acquaintance with locality and customers. Thus a New Englander is preferred for the New England field, a Westerner for the Western trade, a Southerner for the South, or an Englishman to represent an American firm seeking English trade.

A Typical Quotation. The following quotation is typical of the general work of the traveling shoe salesman, and shows the importance of nationality and language in entering a foreign field:

SELLS SHOES IN RUSSIA[1]

In November last a young Russian business man visited Brockton for the purpose of obtaining a line of Brockton shoes to sell in Russia. He planned to travel for three months in Russia and Poland following the introduction of the goods, and then return to this country, thus to report personally to the manufacturers in this city concerning prospects and business conditions. He left

[1] *Boot and Shoe Recorder*, April 8, 1914.

the United States early in the year with lines of shoes and other goods. Under date of February 15, he writes the *Recorder* from Moscow: "For about six weeks I am covering my Russian trade selling American shoes. Business is a little slow in starting. However, we should not expect big results at once. I have learned that the Russian field is a promising one and I hope to do well in the near future."

This young man is one of many young foreigners speaking several languages, who are representing American footwear and other lines abroad.

A Salesman's Advantages. The salesman who represents the more interesting and easily handled lines of merchandise meets people generally of a good class and becomes acquainted with progressive methods in business. He is likely to be broad-minded, and to have personal influence with his firm, whose prosperity he largely determines, and with retail dealers who are the customers of his firm. In the case of one of the best known of American shoe companies the man who was the first salesman to represent the company on the road is now its president; the president of another equally well-known company holds also the position of sales manager.

A Salesman's Pay and Routine. The general age for entering upon the work of the salesman is from twenty to twenty-five years. In his preliminary training upon stock and methods he may begin at $8 or $10 a week and rise to $15 a week, before going upon the road. On the road he starts at a salary varying from $1000 to $1500 a year, with traveling expenses paid, and a bonus or commission upon his sales.

Each man returns to the factory a daily record of expenses. He makes a daily report of calls upon dealers and

of sales made, with a statement as to where he expects to be during the next two weeks, following out the general plan given him by the sales manager or sales department.

The total sales of the average traveling shoe salesman vary from $15,000 to $25,000 a year. His average salary runs from $1000 to $2500 and expenses; his average period of service is ten years. His active work in many cases falls into two seasons a year, of about sixteen weeks each, of the spring and early summer and of the fall and early winter. He usually visits about ten towns a week. In the idle period of eight or ten weeks following the busy season some salesmen go back to their factory and work upon samples and styles for the coming season; other salesmen take this period as a vacation. In any case the salesman must be steadily on the watch for novel styles, for new methods in advertising, and for any information that may be of value to his company.

There has arisen, in more recent years, a general movement to have traveling salesmen work altogether on a commission basis, to compel them to get business. The difficulty in this method, for the young man, at least, is indicated in the following quotation:

> Five per cent is the commission paid shoe salesmen, and this means paying your own traveling expenses.
>
> There are some manufacturers who want men to put up their own money to build up the manufacturer's business. Young men, mostly clerks, who have saved up some money take hold of these propositions and generally soon squander their savings. The small amount of business they work up, the manufacturer gets the benefit of; the salesman is the loser.
>
> All the responsibility of the business rests practically on the salesman. If the manufacturer gives him a line of samples, he

goes out, sells shoes from these samples, and if the goods are not made in accordance with samples, the salesman loses his commission. For every manufacturer will tell you that he pays no commission on returned goods. . . .

A number of manufacturers have acted favorably on the matter, and it would seem from present indications that the time is near when six per cent will be the minimum for traveling shoe salesmen's commissions.[1]

Disadvantages in a Salesman's Life. The disadvantages connected with the work of a traveling salesman are so great that they must be taken into consideration. He is away from home and family frequently two or three or four months at a time. He may find poor hotel accommodations in some localities. He must endure irregularity of meals, poor food often, and loss of sleep caused by the need of making towns on schedule time. He may be troubled by local train facilities or by driving from town to town in severe weather. He may have to work nights and Sundays to keep up to schedule and to make sales. He often undergoes heavy mental strain in making sales, especially to large customers. The monotony of extended yearly trips over the same routes, with conditions that wear more and more upon a person after several years, leads in most cases to a strong desire for change of occupation. Then the problem of changing to a profitable occupation or of establishing himself in some other position may become a difficult matter. Unless one is a member of his firm while still a salesman or holds some relation to it of especial importance, he is not likely to find a place with his firm, either in the offices or in the factory. Nor does his experience fit him

[1] *The Shoeman*, February, 1914, Boston.

to go into any other line of work, unless as salesman for a concern dealing in some other kind of product. In general the traveling salesman, because of the reasons above stated, becomes unfitted for taking up a new occupation as late in life as must usually be the case. The traveling shoe salesman in seeking another line of work most frequently enters a retail shoe store as selling clerk, becomes manager of a shoe department in a store or of a branch store conducted by a factory, or opens a store for himself in some locality where he has found an opportunity during his traveling experience. In some such cases the firm which he has served as salesman favors him, even to supplying a stock of goods. This method opens an additional outlet for merchandise and is a natural step in the continual change in the personnel of the selling force.

The Rise of the Modern Traveling Salesman:

I have made a research into every available source to ascertain the cause and conditions that created that national institution — *the traveling salesman.*

In a musty volume of yesteryear I find a press clipping attributed to a New York newspaper printed in 1847, as follows:

The wholesale stores employ clerks whose business it is to go to the hotels and make the acquaintance of the visiting merchants in order to induce them to buy goods of the firms which employ them. . . .

And later as history is written we find that a few years previous to the War of the Rebellion, "the house" frequently sent men on road trips to investigate the credit of customers and to report impressions and conditions in communities.

Very often these emissaries returned with *memorandums of orders* to be sent, filling, so to speak, between trips to market. This was of course before the days of the mercantile agencies which, as is natural to suppose, came into existence *after the traveler had hewed the trail.*

Following the Civil War, particularly in the South, the commercial traveler sprang into existence, and his advent was one of the most constructive measures that led to the upbuilding and restoration of commercial conditions so prevalent and prosperous at the present time. . . .

Necessity being the mother of invention, the traveler came into being. The evolution has been gradual, and is growing with the years. This means of earning a livelihood is regarded as a profession, and through organization the salesman is rapidly securing recognition everywhere. At the present time the science of selling has reached a very advanced stage.

The salesman's calling typifies an art in the highest development, since he is in every degree an exponent of the modern idea of courageous effort by *direct personal appeal*, and in the short years of his service and usefulness *he has revolutionized business.* The traveling salesman has transported the salesroom from distant trade centers to the very door of his customer.[1]

The Other Business Departments. In small factories there may be a consolidation of departments or offices; in a large factory there may even be other offices, in addition to those already described, or subdivisions of them. There may be a legal department, which deals with all questions of law affecting a firm and its employees, and represents it in litigation. For this an attorney may be regularly employed, or hired upon occasion. There may be, also, a separate machine-purchasing department, for the buying of new machines or for the transfer of machines from one factory to another.

Some large companies have a fully equipped auditing department, separate from the bookkeeping, instead of having the auditor act as head of the bookkeeping department.

[1] "Selling Shoes Away from Home and at Home," by John A. Sullivan. *The Shoeman*, February, 1914, Boston.

The Information Office. In connection with the general offices of most manufacturing companies there is found one devoted to serving those persons who come with inquiries of various sorts. People come to ask questions about business or manufacture, to see employees, officials in departments, or members of the firm. It is highly necessary that all such persons should be treated with courtesy and careful consideration.

In this office there may be one or more attendants, or information clerks, and an office boy.

Requirements for Service in the General Offices. The personal and educational requirements for service in the general offices of a factory are practically the same as in most forms of mercantile business. For the higher positions one must have executive ability, decision, tact, and judgment. One must be thoroughly familiar with general business conditions in a community and throughout the country or abroad. For the responsible positions it is becoming more and more advisable, and in some cases even necessary, that one shall have the education of a high school, business school, or school of business administration. Increasingly college graduates are found going into the large factories and working toward the business management of the industry. For clerical positions one should have the training given by the grammar school or business school; or, if his work is special, like that of the bookkeeper or stenographer, he should have particular training in these subjects. There is an increasing number of young men entering the business offices of the factory as stenographers and operators of typewriters, or doing general clerical or secretarial work.

Training and Promotion in the Business Offices. It is the policy of the modern manufacturing firm to employ young men and train them for the higher places in the business departments, although one company frequently draws men for important as well as for less important positions from another company. The average length of service of girls and women in business departments is from three to four years. A more permanent service can be maintained, with less break in continuity and increased efficiency of the entire system, by filling the important positions with men.

In some of the larger concerns, where methods of training and promotion to every position are highly organized, there is some employee who is being particularly fitted to take the position above him, so that gradually promotion takes place all along the line, and the necessary changes in personnel do not affect the efficiency of the business departments as a whole.

There are many positions from that of the messenger boy to the managers of the departments and the high officials of the firm to be filled with more or less permanency. Graduates of high schools and colleges in increasing numbers are entering the messenger service for special experience and training that will give them promotion until they find themselves in the higher places. Such is the policy of most large firms in training their own executives. Sometimes the messenger boys or young men are sent out for observation in factories and as general helpers to the superintendents of factories or departments, until, if they have ability and application and the qualities necessary for handling or dealing with numbers

of employees, they become assistant superintendents in the factory itself.

Young men who seem to give promise are usually chosen for this particular training, which is sometimes called a "factory apprentice course." They follow this course for three or four years before reaching the assistant's position, becoming familiar with the practical end of manufacture and with the feelings of employees. Men with such experience become very valuable to the firm, since they understand both the business side and the manufacturing side, and their great duty is to harmonize the interests of the two for the business success of the entire establishment. Sometimes, but in less degree at the present, this plan includes the training of foremen who may thus become superintendents.

CHAPTER III

THE FACTORY OFFICES

A pair of shoes in the making, like a pair of shoes in the wearing, has a long road to travel. But there is this difference: for shoes in the making the road is marked out in advance. The exact course of their journey can be predicted.

We have already followed part of it, as we analyzed the work of the executive and the general offices. Suppose now that those two divisions of our typical establishment have done their share of the work. The board of directors, through the president or general manager and his staff, have provided a plant, equipment, and working capital. Advertising department and sales department have secured a market for the product. Order department, credit department, and cost department have made sure that that market is a profitable one. Orders have come in and been accepted for delivery at a certain date. The purchasing department has laid in a supply of all necessary materials; the employment department has secured a full force of operatives; the efficiency department has brought everything to its highest effectiveness. All is ready for the actual making work of the factory.

Factory Routine. From this point on manufacture becomes more or less a matter of routine work. The more completely and effectively an establishment is organized,

the more literally is this statement true. In an ideal factory the processes from this point on would be automatic.

This routine is the essential point of difference between old-time handicrafts and modern manufacturing. A craftsman, a cobbler, for example, attacks a series of personal problems. At each stage of his work he must decide what to do and how to do it. The great achievement of modern manufacture consists in changing such a series of problems to be solved into a series of standardized processes to be gone through. This change from personal to routine activity has been brought about by organization, and its effects are very apparent. A good cobbler makes perhaps one pair of shoes a day. In a thoroughly modern factory four or five pairs of finished shoes are turned out daily for every pair of hands employed in the work. Yet no single operator works any harder to turn out many pairs than a cobbler does to turn out one pair. Organization has multiplied individual productive capacity, that is all. And we all reap the benefit of the decreased labor cost.

The Factory Offices. The routine operations of manufacture fall into two divisions, industrial and business. They go on simultaneously, in the factory and in the factory offices. In the factory, — for example, in cutting room, lasting room, stitching room, finishing room, packing room, and shipping room, — the raw materials, leather, cloth, thread, nails, buttons, blacking, are brought together and united in the finished shoes, boxed and cased ready to go out to the dealers. In the factory offices all these manufacturing processes are planned for, kept track of, and recorded.

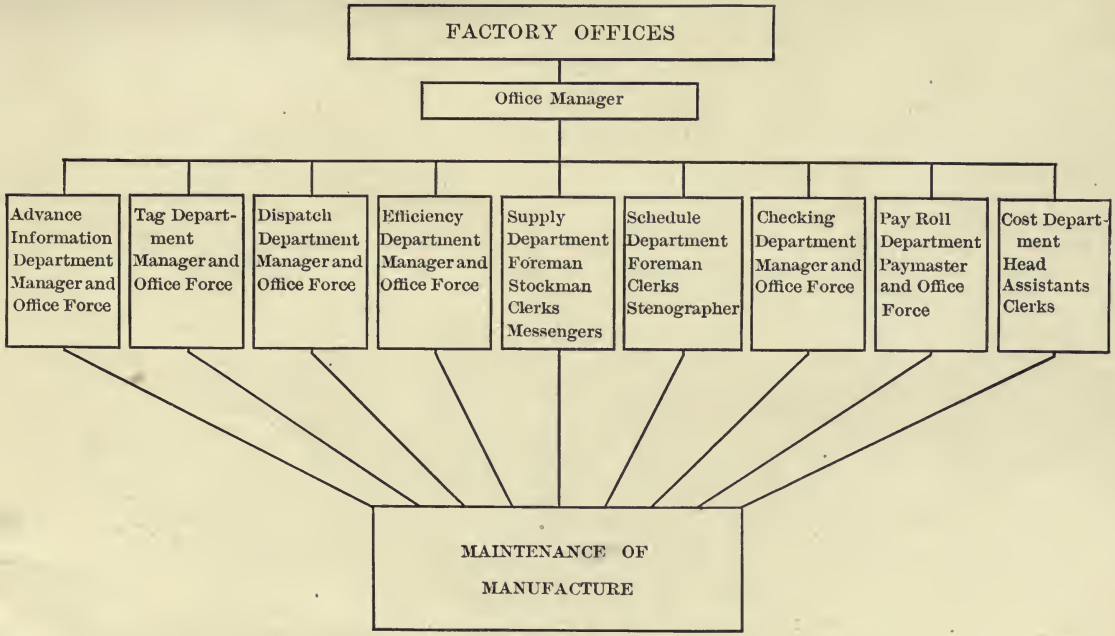


CHART OF THE FACTORY OFFICES OF A MANUFACTURING COMPANY

The factory offices, therefore, deal with all the routine business details connected with manufacture. Such details are necessarily very numerous, and thorough organization is necessary to keep them properly separated, yet combined. The chart on page 73 shows the names of the different factory offices, and gives a clear idea of the way they are related to each other and to the whole business.

Where an industry is confined to a single factory, or where a large plant has a central administration building, the factory offices may be associated with the general offices. In the case of separate or scattered factories conducted by a single company, some of the factory offices may be located, often in subdivisions, in the various factories. But in all cases they are in the closest touch with manufacture, and give at all times a complete record of the plans, conditions, and progress in actual work in the factory.

The Department of Advance Information. The first division of the factory offices is the department of advance information, which has the function of providing, in advance of actual work in the factory, all the information necessary to planning that work. It takes off all the particulars of orders received by the firm, and analyzes them, so that they may be handled advantageously. It keeps a record of materials on hand, of facilities for work, and of special features or kinds of labor which must be secured in advance of work actually to be done. Orders thus copied and provided for it turns over to the tag department, and notifies the manufacturing departments in the factory of work coming, so that due provision may there be made for it.

The mass of material collected and recorded by this department may include thousands of items each season.

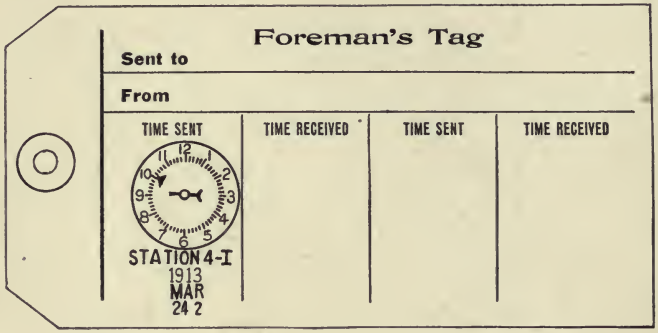
The work of collecting information is very closely related to that of the dispatch department, and may be combined with it.

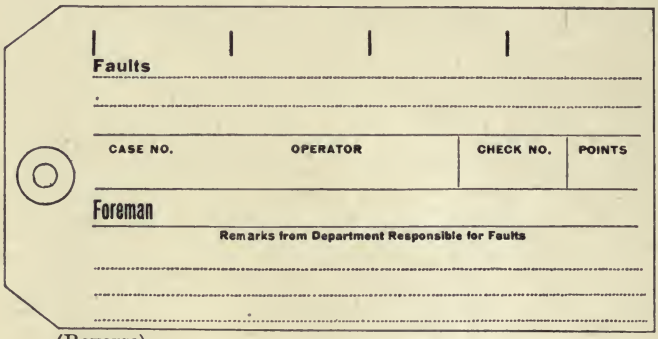
Positions in the Department of Advance Information. The positions in this department are the manager, the assistant manager, the copying clerks, the recording clerks, the stenographer, and the messenger.

The Tag Department. The tag department furnishes the factory with all the detailed instructions needed for the actual making of shoes. From the orders received by the order department, after credits have been determined, or from the data copied from the orders by the department of advance information, the tag department makes out the tags which are so important in shoe making. They cover every point of specification or kind, size, and style for the making of each lot of shoes or other factory product. The tags are then reviewed or examined by reviewing clerks or by the sales department, to see whether they agree with the corresponding orders. They then go to the dispatch department, to be put through the factory in proper sequence. Most factories use the tag system, necessarily covering the same or similar particulars of manufacture.

The Foreman's Tag. The foreman's tag shows when a job of work is sent to a department and when it is received. It shows the number of the job and the name of the operator doing the work in the department, and provides for a record and explanation of faults in workmanship.

Positions in the Tag Department. The usual positions in this department are the manager, the assistant manager, the tag clerks, the tag reviewers, the general clerks, the stenographers, and the messenger.





(Reverse)

The Dispatch Department. The dispatch department stands between the tag department and the factory. Its duty is to turn orders into the factory in proper sequence, and to see that ample provision is made for putting them through, that they pass from one department

to another on schedule time, and are ready for delivery on the dates specified in the orders. Its function is to facilitate manufacture, and it may include the gathering of advance information when there is not a separate department for that purpose. The dispatch department governs the flow of work into the factory so that its various departments or divisions are properly supplied with a uniform amount of work, the full working capacity of each being determined by the advance information received.

In some large factories the dispatch department uses an elaborate tabulating system for recording the great quantity of information necessarily collected and used for expediting shoe manufacture.

In enforcing regulations governing the flow of work into the factory the dispatch department employs a day-sheet section and a tracing section.

The Day-Sheet Section of the Dispatch Department. The day-sheet section issues regularly day sheets or bulletins. These show accurately each and every lot of shoes for which an order goes into the factory on a given day, and also the schedule time when the last lot of each day's orders should pass a given point. The day sheet shows also the exact items of product composing a particular day's work. Duplicate copies of the day sheet are sent to the various departments of the factory, being kept there until each lot of shoes specified upon the sheet passes through and is recorded. The day sheet is a record of actual work to be done and of its accomplishment. It is used in all shoe factories as well as in many other lines of manufacture.

The Tracing Section of the Dispatch Department. The tracing section follows up and records the factory work as it passes given points each day, so that the progress of each order may be known at all times.

Positions in the Dispatch Department. The positions in the dispatch department are the manager, one or more assistant managers, the chief clerk for the day-sheet section, the day-sheet clerks, the chief clerk for the tracing section, the tracing clerks, the chief clerks, and clerks for subdivisions of work relating to particular divisions of the factory.

The Efficiency Department. The efficiency manager has already been spoken of in Chapter I in connection with the executive offices. Among the factory offices, and closely related to the dispatch department, some large manufacturing concerns have an efficiency department. Various other names are used for this division, such as planning, labor, or production department. Sometimes these are subdivisions of the efficiency office.

Whatever name it bears, the efficiency department has to do with the observation and supervision of labor in the factory, with the hiring of foremen and superintendents in many cases, with whatever scientific management and time-study there may be, and with the maintenance of a uniform production throughout the year as far as possible. To maintain uniform production, which is the great problem of industry at the present time, large orders are solicited far in advance of their delivery, and distributed through the year, so that the factory will be constantly in operation. The result is a lower average cost of manufacture and a

lower price to consumers, which increases the demand for a particular article. Constant operation is also an inducement to the most efficient employees in the various branches of the industry to seek such factories, and so there is built up a prosperous and contented body of employees.

The efficiency department in a modern factory has supervision over all divisions of manufacture, to insure effective methods and results. It works under the general superintendent of the factory, or in close coöperation with him.

Example of a Firm Conducting Efficiency Work. One large and well-known firm of New England shoe manufacturers, which has shown phenomenal growth during the last twenty years, has a very elaborate system for insuring labor efficiency and production, and employs a large number of experts in its offices and manufacturing departments. For eight or nine years this company has had little idle time in its factories except the natural breaks of the holidays.

A Conservative View of Efficiency Work. On the other hand many intelligent employers and business men as well as employees look with distrust upon the so-called "efficiency" movement. They claim that it has assumed undue importance; that it has dealt with theoretical improvement rather than practical gains; and that at best the recommendations of an efficiency expert should have the weight of business advice only, with no direct authority for accomplishing changes. They would regard him, when employed at all, as a staff officer; one of several or many upon whose service the general manager

may rely for such information and suggestion as shall enable him to maintain absolute and wise direction over business.

Positions in the Efficiency Department. The positions in the efficiency department are the efficiency manager, the heads of divisions, such as labor or production, the assistants, the clerks, the stenographer, and the messenger.

The Raw-Material Office or Department: Upper-Leather Office. Some large manufacturing establishments have a department in charge of the passing into the factory of the raw materials of manufacture. A conspicuous example is the "upper-leather office" of the shoe factory.

The work of the upper-leather office or department follows that of the dispatch department. It receives the tags calling for material for the lighter parts of the shoe, separates them, and stamps them with the stock numbers required. The tags coming here consist of three or four parts, specifying the materials for trimmings, for tips, for the top of the shoe, and for the quarter when a shoe is cut from two kinds of stock. A cutter's card is made up for the selection of each lot of stock and later accompanies it to the cutting room. The stock, whether leather or cloth, is selected by the scheduled number, with careful allowance for square feet, and made up into bunches or "jobs" for the cutters. Each card tells the kind of stock, price, weight, number of pairs of shoes to be made and case number, foot allowance or square feet of leather allowed for the job, pattern number, and estimated value of stock. The cards all come back from the cutting room to the upper-leather office for figuring loss and gain in square feet and cost of leather against each cutter, as

an efficiency record for each. All results are reported to the cost department.

All bills for upper leather, cloth, or trimmings are checked up here, entered into an invoice book, approved by the purchasing agent for upper leather, and sent to the bookkeeping department.

The upper-leather office is in many cases made a factory department or division in connection with the cutting room. In any case it is the meeting point between office routine and factory operation.

Positions in the Upper-Leather Office. The positions in this department are as follows: the foreman, the assistant foreman, the clerks on stock cutting and cutters' reports, the tag clerks, the figuring clerks, and the messenger.

The Supply Department. The supply department, called sometimes merely the supply room, keeps on hand all the materials that enter into a particular kind of manufacture. It has charge, also, of supplies of all kinds for the offices and for factory maintenance and repair, such as machine parts, electrical parts, racks, and tools for work in various rooms. Supplies come to the supply room from the receiving department, after being checked up, or directly from the dealers who furnish them. They are kept in the supply department until called for by the factory departments. Accurate records are kept of all the materials received, those on hand at any time, and those sent out upon requisition. The stock man is responsible for all goods delivered to him by the receiving room and for their care until given over to departments.

Positions in the Supply Department. The positions in this department are the foreman, the stock man, or supply keeper, the clerks, and the messengers.

REQUISITION ON FACTORY DEPARTMENTS

NOT FOR USE ON PURCHASING DEPARTMENT

Goods wanted by Mr._____Floor_____

Dept._____Hour_____Date_____19

Approved by { Signature of Foreman ordering

Telephone all requisitions to the Supply Room unless in SPECIAL hurry for goods

QUANTITY	DESCRIPTION OF ARTICLES
	Form
	Filled by

A TYPICAL REQUISITION FORM

The Schedule Department. The schedule department keeps a record of all changes in methods and processes of manufacture. Such changes must be approved by the head of the department, or by such an official as the quality man or the superintendent of machinery. The department notifies each room in the factory of changes approved and to be put into effect. The schedule department is the machinery-efficiency department.

Positions in the Schedule Department. The positions connected with the schedule department are the foreman, the clerks, and the stenographer.

The Checking Department. In the checking department the work of all piece operatives in a factory is recorded or checked up. Every operator makes out each day in the factory a regular form covering his previous day's work, and deposits it in his department. These forms are sent to the checking department where they are transcribed in books under the name and number of each operator, each one having an individual check number. Thus the work or efficiency record of each employee may be seen at any time. In certain parts of the factory, such as the making, finishing, and packing room, coupons are filled out in the same way. All records are kept in files in the checking department until they are turned over to the pay-roll department for the making out of the pay roll.

In some factories, especially those doing a small business, the work of checking is done in the pay-roll department.

Positions in the Checking Department. The positions in the checking department are as follows: the manager, the assistant manager, the copying clerks, the checking clerks, the enumerators or computing clerks, the adding-machine operators, the filing clerks, and the stenographers.

The Pay-Roll Department. The pay-roll department keeps a record of the earnings of each employee, and has charge of payment at regular periods. It gives out check numbers for work records and keys of lockers to all persons entering into employment in the factory. The

lists and figures for earnings received from the checking department are entered in books and the amounts due employees are computed. The time cards of the day or week workers, showing actual wages, are also kept in this department.

DAY		IN	LOST OR OVERTIME		OUT	
			OUT	IN		
W	A. M.					
	P. M.					
T	A. M.					
	P. M.					
F	A. M.					
	P. M.					
S	A. M.					
	P. M.					
S	A. M.					
	P. M.					
M	A. M.					
	P. M.					
T	A. M.					
	P. M.					

Total time.....hrs.

Rate.....

Total wages for week, $.....

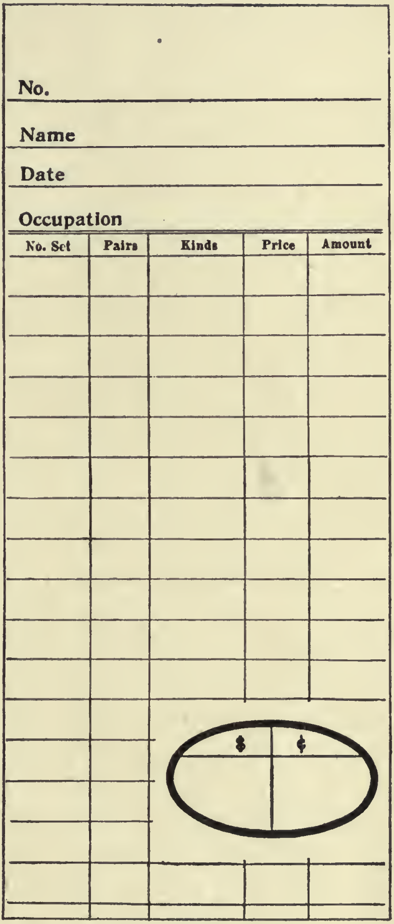
EMPLOYEE'S WEEKLY RECORD CARD

Pay slips, giving the amount due each worker up to the time limit covered by the pay, are made out and sent to each department one or two days in advance of the payment, so that each person may know what he is to receive. The pay-roll department puts up money in envelopes, numbered for each worker, and distributes them to the foremen in departments at the time when payment is to be made, usually at the close of the working hours on Saturday. On receiving his pay envelope the employee signs and returns his pay slip as a

receipt. Pay usually covers the week ending from three to five days preceding the time of payment.

Some factories use a duplicate coupon system of payment, by which the operatives figure their own earnings, retaining one coupon and passing the other in to the pay-roll department. The department then refigures the earnings from work records sent in by the checking department. This system enables an operative to see what he is earning daily.

Positions in the Pay-roll Department. The positions are the following: the pay-roll manager, or paymaster, one or more assistants, the pay-roll clerks, the pay-slip or employment-slip clerks, the addressing clerks, the stenographers, and the messengers.


No.
Name
Date
Occupation

No. Set	Pairs	Kinds	Price	Amount

$ ¢

PIECEWORKER'S CARD

The Cost Department. The cost department makes an exact estimate, in advance of manufacture, of all the styles and grades of articles to be made by the factory, so as to determine the grade of material to be used, the cost of labor on the work, and the prices at which articles should be sold to the trade. The department regularly receives reports from the various factory rooms giving the costs of materials used, and furnishing a basis for computation. Usually the retail price is fixed by the sales department or by firm officials, in advance of the cost estimate on particular lots, according to the general policy of the factory.

The estimating of cost is most important in manufacture, yet the department is sometimes a small one, and may not even have a separate office. Its work is done mainly by a single individual or head, who may also be a high official in the firm. He may have one or two special assistants and clerks to aid in preparing cost estimates.

The Expense Department. In some factories the term used for the cost division is expense department. There is found quite generally, however, a separate expense department, which is not concerned with the supervision and control of the general costs of shoemaking, but controls simply the running expenses of the company, such as office and repair expenditure. This is a small division with routine duties, and generally has an expense manager and one or more assistants. All offices and departments concerned report their general expenditure regularly to the expense office or to the supervisor or manager of expense, so that department expenditures and the total running costs of the factory

may be known at any time. In some cases the control of the expenses of the running of the factory offices and of manufacture is maintained by the factory manager in connection with his other duties. The expense manager approves the advance estimates of department outlays, or reviews such costs after they have been met, to see that they are within the limits set by the policy of the company.

The Messenger Service. The messengers connected with the various factory offices are grouped in some factories under a definite head or supervisor with headquarters at some convenient place in the factory, and are sometimes organized as a department. This group may also include the messenger or errand boys of the factory itself. Sometimes the messengers have fixed stations and go to each office or room at stated times, besides always going upon call.

The duty of messengers is to do errands among offices and factory departments. They distribute office supplies, factory mail, and also such things as materials or machine parts when these are desired quickly in departments. They attend to messages and errands that cannot be handled by telephone.

Promotions from the Messenger Service. In large factories we find, under this plan of organization, a trained messenger service which sometimes fits boys for other positions in the offices or factory. The general offices in some factories train messengers rather for the managerial positions, as has been indicated earlier in that connection, while the organized service of the offices closely associated with manufacture trains them mainly for routine positions. In a small factory, however, there

may be no special organization of the messenger service, and little difference in the opportunities it offers for promotion.

Some factories have mechanical devices, such as endless belts on which packages may be placed and deposited at desired points, for carrier service among departments, thus lessening the work of the messenger service.

Industrial Service. Many large factories have established elaborate systems of what has been called "welfare work." The term now coming into use, and indicating a more genuine effort to promote the interests of the workers by providing advantageous work conditions and social outlook, is "industrial service." Such service is becoming more and more an important feature in the conduct of large business and manufacturing concerns. In the smaller factories, however, whose employees live near by and spend only their actual working hours at the factory, until very recently little has been done along these lines, socially, educationally, or industrially, for the general welfare of the body of employees.

The training given to the employees in office service and to machine operators or other factory workers, for their efficiency and promotion, and the maintaining of restaurants for the convenience of those living at a distance, have been of the nature of industrial service, and have opened the way, in a measure, to other important features. Some of these features are hospitals, or separate quarters, with trained nurses and hospital equipment and physicians attending at regular periods, or

simply "emergency cabinets," with persons detailed to look after their use; rest rooms and recreation or social rooms for girls, usually with pianos and appropriate furnishings; recreation and gymnasium quarters, or game rooms, for men and boys; separate rooms for employees who bring lunches from home; factory restaurants with divisions or separate rooms or tables for various groups of people employed by the firm; general libraries and reading rooms; rest rooms and classes for salesmen; men's clubs and women's clubs and classes; lecture courses, social meetings, and outings, and sometimes parks and playgrounds around the factory.

Welfare work has been regarded in many cases as a means of diverting public attention from actual unsatisfactory conditions or practices in a manufacturing plant, or as an overhead charge that resulted in keeping down the wages of employees. To be of genuine value in the industrial world, and to merit the commendation of public opinion, industrial service should be correlated with improved conditions of fair dealing with employees, with a just gradation in wage rates, or with other features directly associated with democratic employment.

Positions in the Industrial-Service Department. The positions in this department vary according to the degree of organization of industrial service in a factory. There may be but two or three persons connected with this work, or a large number, each with a special line of duty. The positions are substantially as follows: the welfare manager, the assistant welfare manager,

the educational director, the physical director, the factory physician, the factory nurse, the medical-cabinet attendant, the attendants for rest rooms, social rooms, reading rooms, and game rooms, the club and class leaders, the librarians, the restaurant manager, assistants, waiters, and general helpers.

The Requirements for Service in the Factory Offices. The educational and personal requirements for service in the higher positions in the factory offices are much the same as in the general offices, — high-school, business-school, or college education, and ability to plan and to handle groups of employees. For the minor positions one should have a grammar-school or business course, and power to work patiently and accurately upon the many details necessarily connected with modern manufacture. Factory experience itself is of great value for one who does the associated office work, as in tag writing or handling the forms that deal with the particulars of manufacture. For the more important positions in industrial service one should have experience at least on the business side of manufacture and in social or civic work, an attractive and persuasive manner, sincerity, a somewhat liberal education, and if possible a course in social service.

CHAPTER IV

THE MANUFACTURING INDUSTRIES

Statistics

The Purpose of this Chapter. The foregoing chapters have presented the organization and employment opportunities of the business side of industry, with shoe manufacture as a conspicuous example of modern conditions and methods. Your choice of business employment among the many lines of manufacture will be easier if you have accurate information about the various industries. It is the purpose of the present chapter to give you such information, especially by placing before you the reliable facts concerning the staple industries of the country which have been collected in the national census, and by adding a brief explanation of their use and meaning.

The Nature of Manufacture. Manufacture consists in converting raw materials into articles for use. It is carried on chiefly under factory organization, and to some extent in the neighborhood industries and by handwork in the shop and home. The products of manufacture include wearing apparel, food stuffs, furniture, and the myriad articles that serve the economic needs of modern life.

The Thirteenth Census. The latest statistical information available for the industries of this country is to be found in the Thirteenth Census for the calendar year of 1909.

Earlier Censuses. In 1810 the Secretary of the Treasury made a report on the condition of manufactures in the United States and estimated that the value of products for 1809 exceeded $120,000,000. An estimate based on the returns of the census of 1810 placed the value of the annual product at $198,613,471. The census of 1850 was the first to present fairly complete statistics for manufactures. Each census from that time to 1890 was based in part on returns for the preceding calendar year and in part on returns for other twelve-month periods, mainly ending during the census year itself. The last three censuses cover principally returns for the preceding calendar year or for twelve-month periods ending within that year.

The Figures for 1909. In 1909 the continental United States had 268,491 manufacturing establishments, which gave employment during the year to an average of 7,678,578 persons, of whom 6,615,046 were wage earners. These manufacturing establishments paid $4,365,613,000 in salaries and wages, and turned out products to the value of $20,672,052,000, to produce which materials costing $12,142,791,000 were consumed. The value added by manufacture, namely, the difference between the cost of materials and the total value of products, was $8,529,261,000.

The Increase from 1899 to 1909. From 1899 to 1909 the number of establishments increased 29.4 per cent; the capital employed, 105.3 per cent; the average number of wage earners, 40.4 per cent; the number of salaried employees, 117 per cent; the value of raw materials used, 84.7 per cent; the value of products,

81.2 per cent; and the value added by manufacture, 76.6 per cent. The largest increase in the decade is seen to be in the number of salaried employees, increasing more than twice as rapidly as the number of wage earners, or people employed in the processes of industry. The salaried employees are those connected with the business side of the industry, and the great increase is due to the rapidly advancing development of organization on the business side of manufacture in these later years. It means an increasing number of persons employed in business positions, increasing opportunity and responsibility, enlarged earnings, and a remarkable development in manufacture and its attendant business. Indeed, much of the growth in modern industry is directly accounted for by improved methods of conducting business. The clerk in the office may still earn less than many an expert workman in the factory, but, on the whole, the average employee on the business side of industry earns a larger amount than does the operative in industry itself, as the following statement indicates.

Comparison of Earnings on the Business Side and on the Manufacturing Side. Aside from the profits going to the proprietors and firm members, the average earnings of the salaried employees in industry in the continental United States during the year 1909 were $1187.67, or $22.84 a week; while the average earnings of factory operatives, or wage earners, for the same period, were $518.07, or $9.96 a week. And there is, no doubt, as large a proportion of persons holding positions of special trust and importance, with correspondent earnings, in

the business offices as there is of workmen of special skill and earning power in the factory.

The Probable Increase since 1909. The percentages of increase in number of establishments, persons employed, capital invested, and other features of manufacture were much larger in the five years from 1904 to 1909 than in the preceding five years. If the later rates of increase have continued from 1909 to 1914, while, no doubt, the percentages have still further increased, at the present time we should have approximately the following figures for manufacture in this country: number of establishments, 340,000; persons engaged in manufacture, 9,700,000, or quite possibly 10,000,000; capital employed, $30,000,000,000; money expended, $26,000,000,000; the value of products, $29,000,000,000; and the net wealth created by manufacturing operations, $12,000,000,000. The foregoing are very conservative estimates. Without doubt the expansion of manufacture within the last five years is much larger than that of any preceding period of equal length.

Explanation of Census Statistics. The best explanation of the purpose and scope of the statistical material presented by the census is to be found in the following quotation from Chapter XV of the Abstract of the Thirteenth Census:

Scope of census: Factory industries. Census statistics of manufactures are compiled primarily for the purpose of showing the absolute and relative magnitude of the different branches of industry covered and their growth or decline. Incidentally, the effort is made to present data throwing light upon character of organization, location of establishments, size of establishments, labor force, and similar subjects. When use is made of the data

for these purposes it is imperative that due attention should be given to the limitations of the figures. Particularly is this true when the attempt is made to derive from them figures purporting to show average wages, cost of production, or profits.

The census of 1909, like that of 1904, was confined to manufacturing establishments conducted under the factory system, as distinguished from the neighborhood, hand, and building industries. Where statistics for 1899 are given they have been reduced to a comparable basis by eliminating, as far as possible, the latter classes of industries. The census does not include establishments which were idle during the entire year, or had a value of products of less than $500, or the manufacturing done in educational, eleemosynary, and penal institutions, or in governmental establishments, except those of the Federal Government.

Period covered. The returns cover the calendar year 1909, or the business year which corresponds most nearly to that calendar year. The statistics cover a year's operations, except for establishments which began or discontinued business during the year.

The establishment. As a rule, the term "establishment" represents a separated plant or mill. In some cases it represents two or more plants operated under a common ownership or for which one set of books of account is kept.

If the plants constituting an establishment as thus defined were not all located within the same city or state, separate reports were secured in order that the separate totals might be included in the statistics for each city or state. In some instances separate reports were secured for different industries carried on in the same establishment.

Classification by industries. The establishments were assigned to the several classes of industries according to their products of chief value. The value of products reported for a given industry may thus, on the one hand, include minor products very different from those covered by the class designation, and, on the other hand, may not include the total product covered by this designation, because some part of this product may be made in establishments in which it is not the product of chief value.

The number of industries for which a separate presentation is made is 264, a much smaller number than in the reports for the

census of 1904, in which 339 industries were shown separately. This decrease is due to the fact that an attempt to make a separate presentation would in the case of many industries be misleading, inasmuch as a large part of the product of the class described by the industry designation is made, not by establishments engaged primarily in manufacturing that class of commodities, but by establishments whose principal product is such as to necessitate their classification elsewhere. In order to avoid this difficulty it is necessary in many cases to combine a number of closely related industries under a more general designation. This condition is constantly becoming more conspicuous in the manufacturing business of the country, and consequently the number of industries which can properly be shown separately is smaller at this census than at previous censuses.

The following tables of statistics are from Chapter XV, which treats of manufactures, of the Abstract of the Thirteenth Census. While the tables are largely self-explanatory, a brief description is added in some cases. The first table, for instance, treats only the larger industries, or forty-three leading lines of manufacture out of the two hundred and sixty-four included in the census.

Industrial Statistics and Business Opportunities. By the figures presented in the census, or by the nature and magnitude of an industry, its growth or decrease during census periods, its locality, the number of persons employed in it, and other facts shown, one may judge quite accurately of the opportunities that industry offers upon its business side.

VALUE OF PRODUCTS, BY INDUSTRIES: 1909 AND 1899

Continental United States and noncontiguous territory: 1909. The following table gives for 1909 the more important figures for the manufactures of continental United States and for Alaska, Hawaii, and Porto Rico:

TABLE I

Table 1	Number or Amount				
	Total	Continental United States	Alaska	Hawaii	Porto Rico
Number of establishments	270,082	268,491	152	500	939
Persons engaged in manufactures	7,707,751	7,678,578	3,479	7,572	18,122
Proprietors and firm members	275,952	273,265	135	1,074	1,478
Salaried employees	792,168	790,267	245	594	1,062
Wage earners (average number)	6,639,931	6,615,046	3,099	5,904	15,582
Primary horse power	18,755,286	18,675,376	3,975	41,930	34,005
Capital	$18,490,749,000	$18,428,270,000	$13,060,000	$23,875,000	$25,544,000
Expenses	18,526,436,000	18,454,090,000	9,454,000	31,753,000	31,139,000
Services	4,375,634,000	4,365,613,000	2,328,000	2,795,000	4,898,000
Salaries	940,900,000	938,575,000	380,000	686,000	1,259,000
Wages	3,434,734,000	3,427,038,000	1,948,000	2,109,000	3,639,000
Materials	12,195,019,000	12,142,791,000	5,120,000	25,629,000	21,479,000
Miscellaneous	1,955,783,000	1,945,686,000	2,006,000	3,329,000	4,762,000
Value of products	20,767,546,000	20,672,052,000	11,340,000	47,404,000	36,750,000
Value added by manufacture (value of products less cost of materials)	8,572,527,000	8,529,261,000	6,220,000	21,775,000	15,271,000

General comparison for the United States: 1909, 1904, and 1899. The following table gives the principal items of information covered by census inquiries relative to manufactures in continental United States for 1909, 1904, and 1899, together with the percentages of increase from census to census:

TABLE II

Table 2	Number or Amount			Per Cent of Increase	
	1909	1904	1899	1904–1909	1899–1904
Number of establishments	268,491	216,180	207,514	24.2	4.2
Persons engaged in manufactures	7,678,578	6,213,612	(1)	23.6	——
Proprietors and firm members	273,265	225,673	(1)	21.1	——
Salaried employees	790,267	519,556	364,120	52.1	42.7
Wage earners (average number)	6,615,046	5,468,383	4,712,763	21.0	16.0
Primary horse power	18,675,376	13,487,707	10,097,893	38.5	33.6
Capital	$18,428,270,000	$12,675,581,000	$8,975,256,000	45.4	41.2
Expenses	18,454,090,000	13,138,260,000	9,870,425,000	40.5	33.1
Services	4,365,613,000	3,184,884,000	2,389,132,000	37.1	33.3
Salaries	938,575,000	574,439,000	380,771,000	63.4	50.9
Wages	3,427,038,000	2,610,445,000	2,008,361,000	31.3	30.0
Materials	12,142,791,000	8,500,208,000	6,575,851,000	42.9	29.3
Miscellaneous	1,945,686,000	1,453,168,000	905,442,000	33.9	60.5
Value of products	20,672,052,000	14,793,903,000	11,406,927,000	39.7	29.7
Value added by manufacture (value of products less cost of materials)	8,529,261,000	6,293,695,000	4,831,076,000	35.5	30.3

[1] Figures not available.

Comparison with Earlier Censuses:

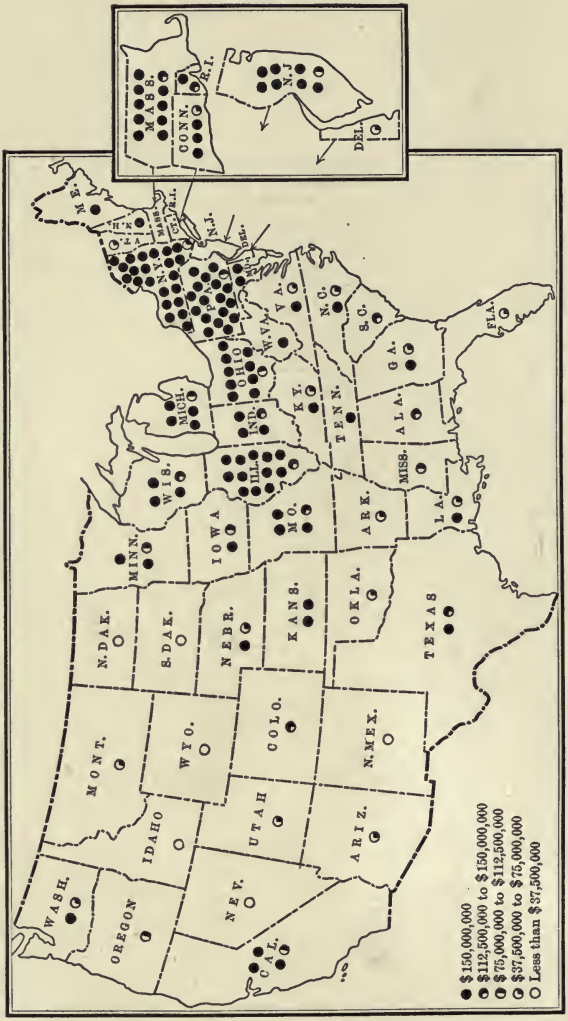
TABLE III

Table 3	Number of Establishments	Capital	Wage Earners (Average Number)	Wages	Cost of Materials	Value of Products	Value Added by Manufacture
Factories and hand and neighborhood industries:							
1849 (census of 1850)	123,025	$533,245,000	957,059	$236,755,000	$555,124,000	$1,019,107,000	$463,983,000
1859 (census of 1860)	140,433	1,009,856,000	1,311,246	378,879,000	1,031,605,000	1,885,862,000	854,257,000
Per cent of increase, 1849 to 1859	14.1	89.4	37.0	60.0	85.8	85.0	84.1
1869 (census of 1870) (gold value).	252,148	1,694,567,000	2,053,996	620,467,000	1,990,742,000	3,385,860,000	1,395,118,000
Per cent of increase, 1859 to 1869	79.6	67.8	56.6	63.8	93.0	79.5	63.3
1879 (census of 1880)	253,852	2,790,273,000	2,732,595	947,954,000	3,396,824,000	5,369,579,000	1,972,755,000
Per cent of increase, 1869 to 1879	0.7	64.7	33.0	52.8	90.6	74.5	41.4
1889 (census of 1890)	355,405	6,525,051,000	4,251,535	1,891,210,000	5,162,014,000	9,372,379,000	4,210,365,000
Per cent of increase, 1879 to 1889	40.0	133.8	55.6	99.5	52.0	74.5	113.4
1899 (census of 1900)	512,191	9,813,834,000	5,306,143	2,320,938,000	7,343,628,000	13,000,149,000	5,656,521,000
Per cent of increase, 1889 to 1899	44.1	50.4	24.8	22.7	42.3	38.7	34.3
Factories, excluding hand and neighborhood industries:							
1899 (census of 1900)	207,514	8,975,256,000	4,712,763	2,008,361,000	6,575,851,000	11,406,927,000	4,831,076,000
1904 (census of 1905)	216,180	12,675,581,000	5,468,383	2,610,445,000	8,500,208,000	14,793,903,000	6,293,695,000
Per cent of increase, 1899 to 1904	4.2	41.2	16.0	30.0	29.3	29.7	30.3
1909 (census of 1910)	268,491	18,428,270,000	6,615,046	3,427,038,000	12,142,791,000	20,672,052,000	8,529,261,000
Per cent of increase, 1904 to 1909	24.2	45.4	21.0	31.3	42.9	39.7	35.5
Per cent of increase, 1899 to 1909	29.4	105.3	40.4	70.6	84.7	81.2	76.6

ACCOMPANYING STATEMENT

By far the highest percentages of increase are shown for the automobile industry, the gross value of products of which increased more than sevenfold during the five years 1904 to 1909, and more than fiftyfold during the decade as a whole. Other industries which show exceptionally large increases for both five-year periods in all three items are the making of men's and of women's clothing, the bakery and the butter, cheese, and condensed-milk industries, the manufacture of electrical machinery, apparatus, and supplies, and of copper, tin, and sheet-iron products, the distillery industry, the manufacture of hosiery and knit goods and of silk and silk goods, the illuminating-gas industry, the manufacture of brass and bronze products, and the confectionery, paint and varnish, and marble and stone work industries. It is interesting to note that the group of "all other industries," which includes the less important industries of the country, shows greater percentages of increase than all industries combined, thus indicating possibly an increased tendency toward diversification in manufacturing industries.

The percentage of increase in all three of the items — number of wage earners, gross value of products, and value added by manufacture — was greater during the second five-year period (1904 to 1909) than during the first (1899 to 1904) in the slaughtering and meat-packing and foundry and machine-shop industries, the manufacture of cotton goods, the men's clothing, boot and shoe, and woolen-goods industries, the smelting and refining of copper, the manufacture of automobiles, silk and silk goods, brass and bronze products, agricultural implements, and paint and varnish, the steel works and rolling mills, and the chemical industry. On the other hand, the percentage of increase in all three items was less during the later five-year period than during the earlier in the flour-mill and gristmill, railroad repair shop, bakery, women's clothing, paper and wood pulp, petroleum refining, furniture, illuminating gas, carriage and wagon, and leather-goods industries.



MANUFACTURING CENTERS OF THE UNITED STATES

PER CENT DISTRIBUTION OF AVERAGE NUMBER OF WAGE EARNERS, BY INDUSTRIES: 1909

In Tables IV and V, which follow, the arrangement is according to the value of the products of the manufacture, which quite nearly coincides with the number of wage earners.

TABLE IV. LIST OF THE STATES ACCORDING TO NUMBERS OF WAGE EARNERS IN MANUFACTURE: 1909

Table 5 State	Population	Number of Establishments	Wage Earners	
			Average number	Rank
United States	**91,972,266**	**268,491**	**6,615,046**	—
New York	9,113,614	44,935	1,003,981	1
Pennsylvania	7,665,111	27,563	877,543	2
Illinois	5,638,591	18,026	465,764	4
Massachusetts	3,366,416	11,684	584,559	3
Ohio	4,767,121	15,138	446,934	5
New Jersey	2,537,167	8,817	326,223	6
Michigan	2,810,173	9,159	231,499	7
Wisconsin	2,333,860	9,721	182,583	10
Indiana	2,700,876	7,969	186,984	9
Missouri	3,293,335	8,375	152,993	11
California	2,377,549	7,659	115,296	13
Connecticut	1,114,756	4,251	210,792	8
Minnesota	2,075,708	5,561	84,767	18
Kansas	1,690,949	3,435	44,215	33
Maryland	1,295,346	4,837	107,921	15
Rhode Island	542,610	1,951	113,538	14
Texas	3,896,542	4,588	70,230	25
Iowa	2,224,771	5,528	61,635	29
Louisiana	1,656,388	2,516	76,165	21
Kentucky	2,289,905	4,776	65,400	27
Washington	1,141,990	3,674	69,120	26
Virginia	2,061,612	5,685	105,676	16
North Carolina	2,206,287	4,931	121,473	12
Georgia	2,609,121	4,792	104,588	17
Nebraska	1,192,214	2,500	24,336	37
Tennessee	2,184,789	4,609	73,840	22
Maine	742,371	3,546	79,955	19
New Hampshire	430,572	1,961	78,658	20
West Virginia	1,221,119	2,586	63,893	28
Alabama	2,138,093	3,398	72,148	24
Colorado	799,024	2,034	28,067	36
South Carolina	1,515,400	1,854	73,046	23
Oregon	672,765	2,246	28,750	35
Mississippi	1,797,114	2,598	50,384	31
Arkansas	1,574,449	2,925	44,982	32
Montana	376,053	677	11,655	41
Florida	752,619	2,159	57,473	30
Vermont	355,956	1,958	33,788	34
Utah	373,351	749	11,785	40
Oklahoma	1,657,155	2,310	13,143	39
Delaware	202,322	726	21,238	38
Arizona	204,354	311	6,441	44
District of Columbia	331,069	518	7,707	43
Idaho	325,594	725	8,220	42
North Dakota	577,056	752	2,789	48
South Dakota	583,888	1,020	3,602	46
Nevada	81,875	177	2,257	49
New Mexico	327,301	313	4,143	45
Wyoming	145,965	268	2,867	47

TABLE V. LIST OF LEADING CITIES IN THE UNITED STATES ACCORDING TO NUMBERS OF WAGE EARNERS IN MANUFACTURE: 1909

Table 7 City	Population	Number of Establishments	Wage Earners	
			Average number	Rank
New York, N.Y.	4,766,883	25,938	554,002	1
Chicago, Ill.	2,185,283	9,656	293,977	2
Philadelphia, Pa.	1,549,008	8,379	251,884	3
St. Louis, Mo.	687,029	2,667	87,371	4
Cleveland, Ohio	560,663	2,148	84,728	5
Detroit, Mich.	465,766	2,036	81,011	6
Pittsburgh, Pa.	533,905	1,659	67,474	9
Boston, Mass.	670,585	3,155	69,637	8
Buffalo, N.Y.	423,715	1,753	51,412	13
Milwaukee, Wis.	373,857	1,764	59,502	12
Newark, N.J.	347,469	1,858	59,955	11
Cincinnati, Ohio	363,591	2,184	60,192	10
Baltimore, Md.	558,485	2,502	71,444	7
Minneapolis, Minn.	301,408	1,102	26,962	25
Kansas City, Kan.	82,331	165	12,294	42
San Francisco, Cal.	416,912	1,796	28,244	21
Jersey City, N.J.	267,779	745	25,454	28
Indianapolis, Ind.	233,650	855	31,815	19
Providence, R.I.	224,326	1,080	46,381	14
Rochester, N.Y.	218,149	1,203	39,108	15
Louisville, Ky.	223,928	903	27,023	24
South Omaha, Neb.	26,259	71	6,306	48
Youngstown, Ohio	79,066	115	10,498	45
Lawrence, Mass.	85,892	162	30,542	20
New Orleans, La.	339,075	848	17,186	37
Worcester, Mass.	145,986	580	28,221	22
Bayonne, N.J.	55,545	97	7,519	47
Akron, Ohio	69,067	246	15,831	39
Perth Amboy, N.J.	32,121	80	5,866	50
Lynn, Mass.	89,336	431	27,368	23
Paterson, N.J.	125,600	702	32,004	18
Los Angeles, Cal.	319,198	1,325	17,327	36
Bridgeport, Conn.	102,054	367	25,775	27
Fall River, Mass.	119,295	288	37,139	16
Peoria, Ill.	66,950	283	5,981	49
Toledo, Ohio	168,497	760	18,878	34
Omaha, Neb.	124,096	432	8,023	46
Dayton, Ohio	116,577	513	21,549	31
Lowell, Mass.	106,294	320	32,575	17
Yonkers, N.Y.	79,803	158	12,711	41
St. Paul, Minn.	214,744	719	19,339	33
Kansas City, Mo.	248,381	902	14,643	40
New Bedford, Mass.	96,652	207	26,566	26
Denver, Col.	213,381	766	12,058	43
Reading, Pa.	96,071	482	24,145	29
New Haven, Conn.	133,605	590	23,547	30
Seattle, Wash.	237,194	751	11,331	44
Waterbury, Conn.	73,141	169	20,170	32
Syracuse, N.Y.	137,249	738	18,148	35
Camden, N.J.	94,538	365	16,527	38

TABLE VI. DISTRIBUTION ACCORDING TO SIZE OF COMMUNITIES

Table 8	Year	Aggregate	Cities and Towns having a Population of 10,000 and over								Districts outside of Cities and Towns having a Population of 10,000 and over	
			Total		10,000 to 25,000		25,000 to 100,000		100,000 and over			
			Number or amount	Per cent distribution	Number or amount	Per cent distribution	Number or amount	Per cent distribution	Number or amount	Per cent distribution	Number or amount	Per cent distribution
Number of cities	1910		593		365		178		50			
	1900		436		277		122		37			
Population	1910	91,972,266	34,002,692	37.0	5,495,594	6.0	8,204,960	8.9	20,302,138	22.1	57,969,574	63.0
	1900	75,994,575	24,052,670	31.7	4,297,118	5.7	5,547,205	7.3	14,208,347	18.7	51,941,905	68.3
Number of establishments	1909	268,491	135,772	50.6	18,936	7.1	27,061	10.1	89,775	33.4	132,719	49.4
	1899	207,514	102,918	49.6	15,463	7.5	20,147	9.7	67,308	32.4	104,596	50.4
Average number of wage earners	1909	6,615,046	4,316,642	65.3	678,467	10.3	1,126,253	17.0	2,511,922	38.0	2,298,404	34.7
	1899	4,712,763	3,044,439	64.6	524,900	11.1	767,293	16.3	1,752,246	37.2	1,668,324	35.4
Value of products	1909	$20,672,051,870	$14,264,878,807	69.0	$1,946,703,215	9.4	$3,582,403,574	17.3	$8,735,772,018	42.3	$6,407,173,063	31.0
	1899	11,406,926,701	7,864,564,177	68.9	1,052,639,594	9.2	1,843,124,795	16.1	4,968,799,788	43.6	3,542,362,524	31.1
Value added by manufacture	1909	$8,529,260,992	$6,003,005,285	70.4	$801,766,297	9.4	$1,431,652,146	16.8	$3,769,586,842	44.2	$2,526,255,707	29.6
	1899	4,831,075,210	3,377,477,927	69.9	458,679,363	9.5	773,117,708	16.0	2,145,680,856	44.4	1,453,597,283	30.1

Table VI indicates the extent to which the manufacturing enterprises of the country are located in the larger cities as compared with the smaller cities and rural districts.

TABLE VII. SUMMARY OF PERSONS ENGAGED IN MANUFACTURE IN THE UNITED STATES: 1909

Table 9 Class	Persons Engaged in Manufactures		
	Total	Male	Female
All classes	**7,678,578**	**6,162,263**	**1,516,315**
Proprietors and officials	487,173	472,914	14,259
Proprietors and firm members	273,265	263,673	9,592
Salaried officers of corporations	80,735	78,937	1,798
Superintendents and managers	133,173	130,304	2,869
Clerks	576,359	437,056	139,303
Wage earners (average number)	6,615,046	5,252,293	1,362,753
16 years of age and over	6,453,553	5,163,164	1,290,389
Under 16 years of age	161,493	89,129	72,364

Table VII shows the distribution of persons engaged in manufacture by class, sex, and age. The average number of such persons during 1909 was 7,678,578. Of these, 6,615,046, or 86.1 per cent, were wage earners; 487,173, or 6.3 per cent, proprietors and officials; and 576,359, or 7.5 per cent, clerks.

TABLE VIII. COMPARISON OF OCCUPATIONAL STATUS OF 1904 AND 1909

Table 11	Persons Engaged in Manufactures				
Class	1909		1904		Per cent of increase, 1904–1909
	Number	Per cent distribution	Number	Per cent distribution	
Total	**7,678,578**	**100.0**	**6,213,612**	**100.0**	**23.6**
Proprietors and firm members	273,265	3.6	225,673	3.6	21.1
Salaried employees . . .	790,267	10.3	519,556	8.4	52.1
Wage earners (average number)	6,615,046	86.1	5,468,383	88.0	21.0

A greater percentage of increase is shown for salaried employees than for the other two classes. This is due in part to the changes from individual and firm ownership to corporate organization, a change which frequently involves the transfer of proprietors and firm members to the class of officials. At the same time there is no doubt that the number of clerks here classified with the other salaried employees has increased relatively faster than the number of wage earners.

Sex and Age Distribution by Industries. The census statistics show the distribution of wage earners by sex and age in the industries of the country. By the Census of 1909, in all industries combined, 78 per cent of the average number of wage earners were male, 16 years of age or over; 19.5 per cent, female, 16 years of age or over; and 2.5 per cent, children under the age of 16. The industries employing the largest number of males over 16 years of age are those in which the work requires great physical strength, or a high degree of skill.

Thus, in the smelting and refining of copper and lead, males 16 years of age and over constitute 99.9 per cent. Other such industries are the making of gas, the construction of steam-railroad cars and repair shops, steel works and rolling mills, and marble and stone work.

The proportion of women and children is larger in industries requiring dexterity rather than strength, such as the manufacture of clothing, of hosiery and knit goods, of confectionery, patent medicines, druggists' preparations, and silk goods. In these industries more than half of the wage earners are female, 16 years or over.

The proportion of children as wage earners is largest in the three textile industries, — cotton goods, silk and silk goods, and hosiery and knit goods. The proportion is high also in the canning and preserving, confectionery, and woolen-goods industries.

The Percentage of Persons on the Business Side of Manufacture. The average per cent of persons engaged on the business side of the manufacturing industries, as shown in Table VIII, is 13.9. It varies from 2.3 in the cotton-goods industry to 30.6 in bread manufacture, 40.3 in flour milling, and 41.5 per cent in dairying. In the well-organized industries which call for considerable business detail the average is between 15 and 20 per cent.

PART TWO

MODERN RETAIL TRADE AS ILLUSTRATED BY THE DEPARTMENT STORE

PART TWO

CHAPTER V

THE DEPARTMENT STORE

Its Nature. The department store is an outgrowth of modern retailing. It is a combination of what may be regarded as a number of distinct stores in a single building, or group of buildings, under one management and usually under one ownership. While the department store is sometimes considered an enlargement of the idea expressed in the country store selling general merchandise, it has in most cases developed from the dry goods or specialty store, by separating merchandise in the large establishment into various departments, and specializing each as if it were a business by itself.

The volume of business in each division permits the securing of expert management and service, and accounts in large degree for the success of the department store, which has become a practical necessity in the large community. It reaches out also into the world's markets, and gathers for its trade the world's products of skill and industry. Many large department stores have offices, with agents or representatives, style experts, and buyers, in Paris, London, and other cities of the Old World. Stores, also, which do not maintain

such offices generally send departmental buyers abroad several times a year.

The modern department store is not merely an improved means of distributing merchandise that has resulted from the growth of large cities, but also an embodiment of the enlarging conception of the function of the merchant, which includes large service to the community as well as selling goods. The best type of department store has come to be not only a great warehouse for the buying and selling of all kinds of merchandise, but also, increasingly, a quasi-public institution with various features of service, such as entertainment, education, and commercial and vocational training for the hundreds and even thousands for whom it provides employment.

From the Public Point of View. From the public point of view the department store is usually regarded simply as a distributor of merchandise. In this respect it reflects the times in the magnitude of its operations. By reason of its large capital it is enabled to buy cheaply or to give advance orders at times favorable for production, thereby obtaining great quantities of goods at the lowest market prices. It saves, also, by direct buying and eliminating the jobber's profits. By grouping many departments under one roof it is enabled to reduce general operating expenses. Likewise the entire skill and experience of the merchant and his trained specialists are available to all these departments, so that they receive a higher degree of training and management in special lines than is usually possible in small stores. In the matter of rent, also,

considering the various departments as individual stores, which is a common method of operating large departments, if each of these small stores were to have a separate building, the total rent would greatly exceed the actual rent incurred by grouping them under one roof. The large stores, moreover, by reason of their large capital, are usually able to obtain the choice locations in a city, where the greatest number of people pass, thus securing an extensive volume of business. And a long lease or ownership of desirable corners or locations in a large city gives weight to the idea of the department store as a quasi-public institution, and gives its holdings almost the nature of a franchise.

Out of this idea of grouping departments under one roof have resulted many business improvements of advantage to the general public.

Through a combination of modern merchandising and advertising, in large measure, has come a remarkable growth of department stores in the United States. Within a single generation there have been developed great establishments doing business ranging from a few millions to twenty-five or thirty million dollars annually.

Harlow N. Higginbotham in *The Making of a Merchant* says:

> Few modern marvels surpass in interest the great department store. Certainly this is so for the man of commercial tastes and pursuits, and I cannot doubt that, in possibly a lesser degree, it is so for the great mass of the American people. Perhaps there are other developments of twentieth-century progress better adapted to stand as types of the age; but it must be granted that the department store is distinctly a latter-day institution which is clearly representative of conspicuous elements and tendencies in the life of the present hour.

The Rise of the Department Store. The general store, selling all kinds of merchandise, has long existed in this country, especially in small or rural communities. In our cities, however, until within a generation, most stores were specialty houses, selling single lines, such as hardware, groceries, or dry goods; and generally they were found grouped in districts, forming the market district, dry-goods district, the wholesale district, and others. As American cities increased in population, it became more and more inconvenient for buyers or shoppers to go from store to store, or from one district to another, and more profitable to the merchant to carry many lines of goods.

Here lay both the need and the opportunity for the modern department store. The city specialty store provided or attracted experience, enterprise, and capital. The progressive city retailer added one line of stock after another, eliminated the jobber, and handled large quantities of goods at lower prices than his small, specializing competitor. A strong factor from the beginning was the principle of buying and selling for cash. An important step, also, was the introduction of "odd-cent" prices, when "even-money" prices had been universal in the country. Close selling and close buying naturally went together. Free delivery of goods was greatly advanced by this new form of commercial enterprise. Increased liberality in the exchange of goods resulted. Finally, the department store has been aggressive and always ready for a radical departure from old methods for the sake of profit or reputation, and the mammoth stores of the present day have resulted.

Competition. Because of the large capital involved, heavy running expenses, and the scarcity of good available locations in a city, and because of the natural limit to the possible amount of business in a territory, department stores will be limited in number in any one community, and competition on a large scale correspondingly restricted. There will always be competition between a department of one and the corresponding department of another, especially in merchandise of the lower grades. In addition to this general trade rivalry there is, also, constant and strong competition from specialty stores, chain systems of stores, and mail-order houses. Within the great store itself, there is always an effort among departments to see which shall produce the greatest amount of profit due to enlarged volume of business.

Future. The growth of cities in the last twenty-five years is one of the most significant developments of our times. The increase in city and suburban population, with modern transportation facilities, has furnished the condition which makes possible and necessary the department store. One important condition is found in the fact that the pressure of population has raised the price of land, and rental is reduced by assembling stores or shops in a single establishment.

Along with the increase of urban and suburban population will continue a growth in the volume of retail trade which will in larger and larger degree take the form of the regular department stores, specialized stores (which are department stores with selected lines of merchandise), and chain systems of stores (which, under

one firm name, ownership, and management, carry on business in various communities). It is possible, also, that the European idea of coöperative manufacture, distribution, and buying on the part of the public in the form of coöperative retail stores will be adopted in some degree in this country. The idea of the public coöperating and owning its retail stores is spreading in the West, Northwest, and along the Canadian frontier, and is hastened in its development by the immigration of people from European countries.

The modern American department store has become an established institution whose future is limited only by the growth of population and material resources, by the supply of men competent to develop with its development, and by changing conditions and business enterprise.

Method of Treatment. In this study of the department store, positions of all grades in which boys and men are employed are enumerated. The major divisions are not necessarily treated in a uniform manner; each one is considered in the way in which it presents itself to the investigator, and according to its natural features or relations to the entire system. In each case an attempt is made to show the exact nature of a division or subdivision, the duties and pay of positions, and the lines of progress and relation in a department, or between departments, with such other features and information as may be necessary to present a comprehensive, accurate, and impartial study of the department store, from the standpoint of the boy or young man.

An attempt is made to show organization and store system clearly, because young men should in the main look forward to filling the higher places, on account of the constant and increasing competition of female help, especially in selling and the minor positions.

Herewith is given a simple chart of a department-store organization which follows the natural lines of the business. Individual stores will have organizations which

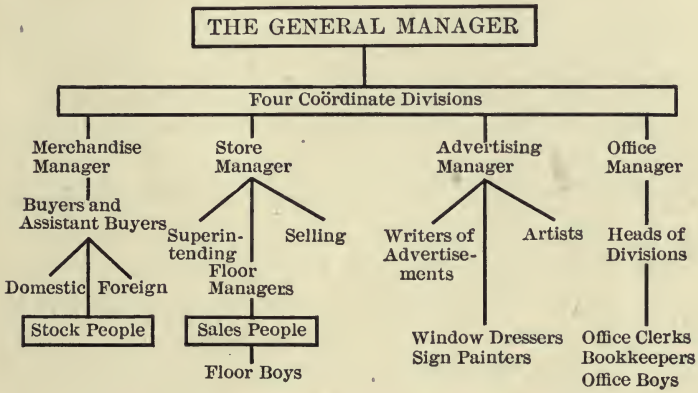


CHART OF DEPARTMENT-STORE ORGANIZATION

differ according to their magnitude, ownership, and special conditions; but most will correspond closely to this general plan, which is followed in the succeeding chapters.

Four Major Divisions. At the head of the organization or administration is the General Manager, who has control of all the departments and activities of the business. Under his control are four coördinate, major divisions,— Merchandising, Store Managing, Advertising, and Recording, — each in charge of a manager

who reports to the general manager. The division of store managing subdivides into superintending and selling, so that for full treatment there are four great departments or divisions, in this order,— merchandising or buying, superintending and selling, advertising or publicity, and the recording or office department.

Departments of Merchandise. Besides departments of organization there are departments of merchandise and of selling in the modern store. These are, however, sometimes called sections, as the hosiery, linen, or drug section. Even in the specialty store there may be fifty sections of merchandise, while in the large, general establishment there may be several hundred.

The General Manager. In these great modern business houses the smallest details and matters of the highest importance move according to a well-ordered and well-defined system. Executive responsibility is so plain that employees in every branch of the business know clearly who are in authority over them. In all such large enterprises there is usually one personality, one master mind, which directs and determines the policy of the business. This may be its individual proprietor, its president, secretary, treasurer, or other official. Next to the actual head of the concern is the person in direct command, the general manager, who may be a member of the firm or employed by it. He has a wide oversight of all the interests of the business, yet he often gives his main attention to the merchandising division. He sets limits of expenditure for the buyers before they make their purchases for a coming season. He makes a study of conditions which may have a bearing upon the

trade of various departments. He analyzes national and local financial prospects. He is quick to anticipate changes in fashion and public taste. According to the usual practice the general manager has conferences with his buyers, singly or in groups, at fortnightly or monthly periods. At such regular councils the manager presides and brings up for discussion all topics of large interest. He may thus on any day obtain a comprehensive view of the condition of the entire establishment. He goes, also, from department to department, looking after the quality and prices of goods, and in some cases all bills checked up in the receiving room are sent to his office for approval before being paid. The general manager is the chief executive of the business, and his control is felt throughout all departments. In a very large business his duties may be divided among several men.

The Board of Managers. The four managers of the great departments below the general manager constitute a board of managers. They hold regular meetings, which are often attended by the general manager, discuss all problems of the business, and vote upon methods for its conduct. In some cases the directors of the corporation take charge of the great departments and constitute the board of managers.

CHAPTER VI

MERCHANDISING OR BUYING

Merchandising includes the buying, care, and preparation of goods for sale. It covers all that precedes advertising and actual selling, and affords a very common avenue to the boy for entrance into the business of the department store.

Under this large, general division come five important subdivisions or departments:

The Receiving Room. This is the room in which all merchandise entering the store is received and accounted for.

Positions. The positions are those of head receiver and assistant head receiver, who have charge of all merchandise coming in; the receiving clerk, who signs for all goods received and makes entries in the proper journals; the examiner, who opens goods, inspects them, and checks them from the invoices; the bill clerk, who makes a record of bills leaving this department; the porters and handlers of merchandise.

In connection with the receiving room, or as a part of it, is the returned-goods department, which has to do with all merchandise returned by the department store to wholesale dealers. The positions here are the clerk, who keeps records and sends bills with returned goods; the packer; and boy, or assistant packer.

The Marking Room. This is the room or division of the store in which goods are marked with cost and selling prices. In a large store it is usually a separate room; in the small store it is often a part of the receiving room, set aside for the marking of merchandise, but having its own system and staff of employees.

Positions. The positions in the marking room are head marker, assistant head marker, and the markers who put cost and selling prices, as fixed by buyers and the merchandise manager, on the articles of merchandise before they are brought out for sale or sent to the stock room.

The Stock Room. This is the part of the store in which reserve or surplus merchandise is stored after being examined and marked for sale. In the case of stores doing an extensive business, articles taking up a large amount of space, such as furniture, are often stored in a separate building.

Positions. The positions here are the stock man and his assistants, called stock boys, who have charge of all merchandise in stock, prepare it, and bring it out for sale.

The Division of Buying. This is a division of steadily growing importance in the modern department store. In a very large business buyers are sometimes hired by the firm itself, and not by the superintendent or employment manager. There are from thirty or forty to one hundred or more buyers in stores employing from one thousand to five thousand people, according to the number of merchandise departments or groupings.

Positions. The positions in this department are the buyer, assistant buyer, heads of stock, and clerks who do the necessary routine work, such as writing letters and filling orders. Buyers have sample rooms in which they meet representatives of wholesale houses, but their clerical work is usually done in the departments to which it may be related.

The Buyer. It is the practice in the larger, newer, and more progressive houses to allow the buyer to manage that part of the business with which he is immediately connected as if it were his own. He buys the merchandise for his department, usually a single line only. He must have taste, judgment, and business capacity, both for buying and for selling. At the present time many buyers in department stores have come from specialty stores, such as dry goods, groceries and provisions, furniture, art goods, toys, or jewelry. An increasing number, however, advance from the ranks in the merchandising or selling departments of a store to the position of assistant buyer and then of buyer.

The buyer must be a keen judge of merchandise, both as to its intrinsic value and as to its market value. He must also know kinds of goods and when, where, and how much to buy. He must be able to purchase goods that will suit the taste of the greatest number of people. In producing profit for the store the buying by one person must be set over against the selling by scores or by several hundred. This shows the buyer's responsibility and his value to the firm. He is the pivot on which rests in large measure the general success of the business. He has to see that goods are properly

priced for selling, that they are conspicuously displayed in the sales department, and that the sales clerks are instructed as to the nature of the merchandise, so that they can talk intelligently to customers. He must also secure proper window display and adequate newspaper advertising, usually himself preparing newspaper advertisements. The test of his efficiency is in the volume of business and the annual profits of his department.

The Assistant Buyer. Each buyer has an assistant who is supposed to be capable of taking his place in his absence, besides helping in the general duties of the department. Many buyers make frequent trips to Europe, and all must visit the mercantile centers of the country. Thus the assistant is left as resident buyer and manager. Under this assistant are "heads of stock," who have charge of particular stocks of goods. From the heads of stock, who have made a thorough study of merchandise, are generally selected the assistant buyers. They are also chosen from the ablest selling clerks who have shown a willingness and a fitness to learn merchandising, or to manage the minor details of a department. The assistant makes a study of the supply and condition of merchandise on hand and aids his chief in the general conduct of the department.

The Merchandise Manager. The merchandise manager is head of the buying department and chief of the merchandising system. He may be simply a man of very high ability to direct large affairs. Usually, however, in addition he must have a very extensive knowledge of all kinds of merchandise, or at least of the most important lines. He may have been a very

capable buyer, promoted to take the direction of all buying. From his position he may become a member of the firm or corporation, and in some cases members of the firm take upon themselves the duties of merchandise managing, each having charge of a group of buyers. All of these conditions are found in department stores, from the man who has merely great executive capacity to the proprietor of a business, who is himself skilled in merchandising or managing.

The merchandise manager is responsible for all goods bought and put in stock and for the gross receipts of the system. He must see that goods are so well selected and of such a valuable nature that their sale will result in a reasonable net profit. He must coöperate with the advertising manager in promoting sales. He looks after all merchandise coming in and on hand throughout the store. He compares the weekly reports of the stock men with that of the stock office, where bills are entered from the receiving room. He is responsible for the personnel and training of his subordinates and is often aided by one or more assistants.

The Assistant Merchandise Manager. When a business has become very extensive and the merchandise department has many and large divisions, its manager may have an assistant or an organization of immediate subordinates, standing between him and the buyers. Each assistant has under him a group of selling divisions, with buyers and their helpers. The assistant may study the general subject of profits, in an advisory capacity only; he may supervise the resources of the department; he may study the problems of competition between stores

and between the departments of his own store; and he may deal with the general question of stocks and of plans to meet the needs of the various seasons.

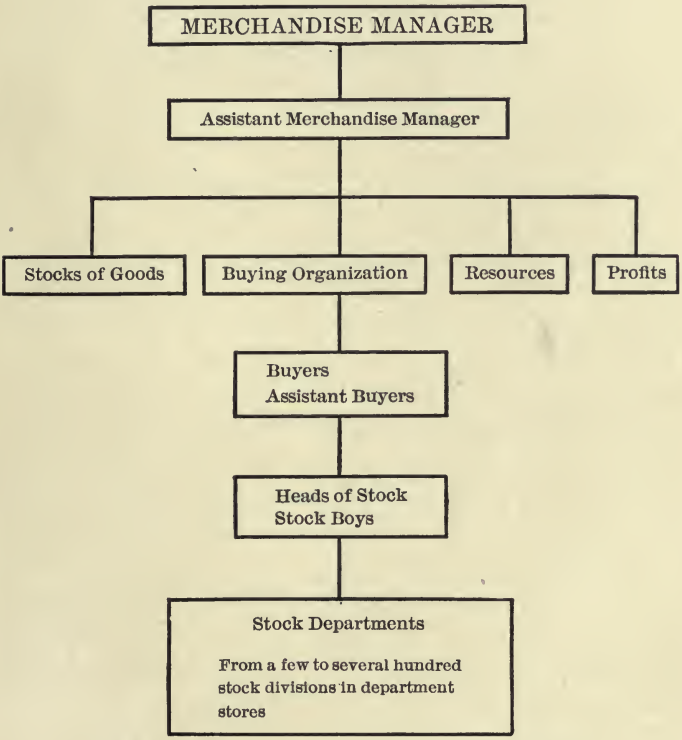


DIAGRAM OF THE MERCHANDISE DEPARTMENT

The Boy in the Merchandise Department. The age limits for entering this department are practically fourteen and eighteen years. Boys are usually taken at the age of sixteen or seventeen, and one over eighteen

would be more likely to enter some other occupation, or if he were fitted, an advanced position in the store. The first position here is that of stock boy. Besides this in small stores boys sometimes perform general duties such as opening cases, unpacking merchandise, putting it in order for checking and marking, checking, marking in the receiving room, assorting bundles, packing goods for delivery, shipping, handling the shipping truck, and booking. Pay at first ranges from $3 to $8 a week, according to age or the work performed. The employer is constantly on the watch for boys capable of filling advanced positions. The stock boy may pass to the selling department, to the advertising office, or to the retail office, with the advantage of his experience in handling stock. He may become an assistant receiver or receiver in his department at pay ranging from $15 to $30 a week. He may become an assistant buyer and in time buyer or merchandise manager. The pay for assistant buyer and buyer is variable, according to the ability of the person and the magnitude of the business done by the store. The assistant may receive from $20 up to $40 or $50 a week; the buyer from $1000 or $2000 to many thousands of dollars a year.

CHAPTER VII

SUPERINTENDING AND SELLING

Superintending and selling are so vitally connected in the great field of the modern store that they are usually treated together, as a single department. This department includes all features of employment and superintending, store equipment, and all forms and branches of selling.

Divisions and Positions

The following list of divisions and positions in this double department is fairly typical:

The Employment Office. The work of this office is vital to the success of the modern store. It calls for rare capacity in judging human nature and ability, and in putting the right person in the right place in a great system. The duties are fourfold: a constant estimating of the force required throughout the store; a careful study of resources for getting help; the keeping of files and information regarding possible applicants; and the careful selection, placing, and following up of persons taken into employment.

Positions. The duties are the same in this division in all stores; but various titles are given to the person at the head, as store manager, general superintendent, or

employment manager. In each case there are usually an assistant and office clerks.

Floor Superintending. The two chief positions here are the floor superintendent, who has general charge of a floor or selling division, and the floor clerk, who usually acts as an assistant to the superintendent.

Selling and its Positions. The positions here divide into two classes, — the sales force and the stock force. The sales force includes the selling clerks, often spoken of as "sales people," who are scattered throughout the store in its various merchandise departments or sections. The sales people are distinguished by departments, as salesman in the cotton-goods section or furniture department; they represent the firm to its customers, and the requirements and importance of their work will be treated more fully after this enumeration.

After merchandise comes from the stock room to its departments it must be cared for before being sold. This constitutes the work of the stock force. In caring for stock, boys gradually learn the nature and value of merchandise, and by watching sales persons they learn something of selling. In this way boys graduate into positions as selling clerks, clerical assistants to buyers, and regular assistant buyers.

In all stores are found floor boys in connection with selling. Formerly the term "cash boy" was in general use, but the introduction of the tube system in handling money has displaced cash boys in most stores. In heavy-goods sections the term "bundle boy" is in general use. The floor boy comes to his department first in the morning, dusts and removes covers from

merchandise, does cleaning during the day, keeps water tanks filled, makes special deliveries of packages outside, and is messenger among departments of the store. At night he covers merchandise. If there is no stock boy in a section, the floor boy does stock work.

The floor boy may become a salesman in the section in which he is serving, but it is advisable that he should first serve in the receiving room or stock room, to become familiar with merchandise and prices.

The Educational Department. The head of this department is the educational director, who has charge of the training for efficiency of all groups of employees throughout the store. This division is more fully treated under the title of Social-Service Work, on page 153.

The Division of Expense. This division supervises the general expenses of the business.

Positions. The leading positions are the expense man and his assistants. The expense man is usually an assistant to the store manager, though he may be subordinate to the office manager. He should be able to deal with and analyze figures, and to pass upon and control store expenses.

The Division of Supply and Construction. This division deals with the supervision and maintenance of buildings and fixtures, the making of contracts, and the buying and care of office and departmental supplies. It involves a knowledge of construction, of engines, motors, machinery, and of general building equipment.

Positions. The positions are superintendent of construction, purchasing agent, head engineer and engineers, electricians, carpenters, painters, head elevator

man and elevator men, head porters and porters, night superintendent, watchman, and cleaners.

The Mail-Order Department. This division has charge of the mail-order business of the store.

Positions. The positions are the head of the mail-order department and assistant, and department clerks, who attend to the routine of filling orders promptly and accurately.

The Delivery System. This division has to do with the delivery of goods from the shipping room to the homes of customers and is an important feature of department-store trade. Merchandise which is to be delivered at the home is sent by the selling clerk to the bundle desk, where it is wrapped; then it is taken to the shipping room, packed if necessary, and given to the delivery wagon or express company. A large business may have a separate packing room.

Positions. This division has the following positions: the head examiner and assistant head examiner, who are responsible for the condition in which merchandise is sent out; the head shipper, assistant head shipper, and shippers, who are responsible for the actual sending of goods; collectors of bundles, who get packages to the shipping room and sort them according to delivery districts; bookers, or entry clerks, who make records of shipments; and billing clerks, who make out C. O. D. bills.

The More Important Positions and Features of Superintending and Selling. The leading positions and features of this great department call for further treatment, that their importance and place in the entire system may be clearly seen. The positions are distinctly executive,

and call for the highest business and executive ability. Along with the leading places in merchandising, advertising, and the office, they present a high opportunity to the man of education, training, and capacity who wishes to advance in the business world, or to the young man already in the system who has native ability and determination to succeed.

The Store Manager. The store manager in many stores is called the general superintendent. He has charge generally of the employment of help and of training for efficiency, of the selling of goods and service to customers, of the construction and maintenance of buildings, of the mail-order and delivery systems, of alterations in garments, of correspondence, and of the general expense and conduct of the department. The duties of the store manager subdivide into the great, yet intimately associated, branches of superintending and selling.

Diagram of Store Management. The following diagram shows the double line of control maintained by the store manager. The first group, coming closer to him in the actual conduct of a store, has to do with employment and all provisions concerning employees. The second group, somewhat farther removed than the first, deals with building and equipment and selling with its related branches. Selling is the main division, for which all others exist. A chief or head of each division is directly responsible to the store manager. This diagram represents a complete and important organization within the great organization of the modern department store.

The Store Superintendent. This position is next in order and importance to that of the general superintendent, and

both are found in the highly organized store. The store superintendent is sometimes called the superintendent

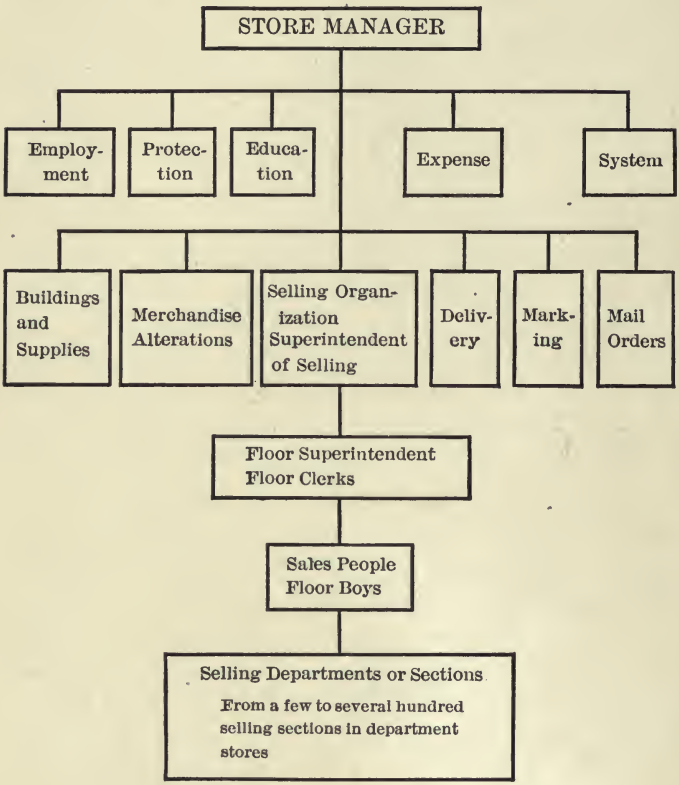


DIAGRAM OF STORE MANAGEMENT

of selling. He has direct charge of the sales work of the store, of employing minor help, of arranging merchandise for sale, of keeping merchandise departments

in proper condition, of instructing the sales force in its duties, of store discipline, of controlling the expense of the selling departments, of adjusting claims of customers, and of the work of all floor superintendents.

The Floor Manager. The floor manager, or superintendent, is the floor executive. He is directly responsible for the duties enumerated under the store superintendent. He is responsible for maintaining a high standard of salesmanship and prompt and satisfactory service to customers. He has charge of exchanges, credits, and refunds for returned merchandise, and of special courtesies to customers. He must see that merchandise is kept in good condition and so displayed that its selling properties are conspicuous. He must keep his floor division presentable and his sales force efficient from the store point of view, as well as from the customers' point of view.

The floor clerk is the general assistant to the floor manager. He handles such details as making exchanges, credits, and refunds.

Requirements for Successful Salesmanship. The requirements for the successful sales person in the department store are both native and acquired. For selling one should have the utmost tact, self-control, mental alertness, interest in human nature, and faith in self and in the business. Training given in the store, in class work, or in lectures and instruction from buyers and floor managers lays especial stress upon the following points, among the many that belong to salesmanship:

First. The care of stock. A neatly kept and artistically arranged stock is the first step toward prepossessing

customers in favor of merchandise. Clerks are, accordingly, carefully trained in these matters.

Second. The approach to a customer, which should be cordial and welcoming, within the limits of refinement. Excessive cordiality is a handicap at the outset.

Third. Talking of merchandise. The clerk must have an intelligent and thorough knowledge of the styles, features, and quality points of merchandise, and be able to present these honestly and effectively to the customer.

Fourth. The closing of the sale. Since first and last impressions are especially strong upon a customer, it is equally necessary that the last impression be one of courteous and willing service.

The elements of efficient salesmanship may be further shown by the following simple diagram. They are fivefold, as relating to the sales person, the system, the merchandise, the store, and the customer.

Efficient Salesmanship				
Good taste in dress and manners	Full compliance with the store system	Thorough knowledge of merchandise	Keen sense of responsibility to the store for results	Genuine desire to satisfy the customer

DIAGRAM OF SALESMANSHIP REQUIREMENTS

The Boy in the Selling Department. A boy usually enters this department between the ages of fourteen and eighteen, at pay ranging from $3 to $4.50 a week, and with a maximum of $5 in simple duties before promotion. He will first act as floor boy or stock boy, whose duties have already been enumerated. After one

or two years he may be promoted to be inspector, with a maximum of $6 a week. After several years he may become a salesman, with pay ranging from $10 to $20, except in the rare cases of great ability in certain lines of selling. A general progress in selling is, first, on cotton goods, then woolen goods, silks, linens, housekeeping goods, furniture, and draperies. This progress is not at all fixed, and sales people are transferred according to the changing demands of departments. The pay of the salesman in the dry-goods store is on the average a little higher than that found in the general department store. The salesman may become floor superintendent, with pay ranging from $20 to $30 a week. From his knowledge of stock he may pass into the merchandise department as assistant buyer, with possible advance to buyer or merchandise manager.

The Basis of Pay in Selling. While it may be said that pay follows the law of supply and demand in the department-store field, the regular wage of employees is based upon what they are worth in the view of the store management. In the selling department of some stores a certain amount of sales constitutes a "quota," which varies according to the selling sections. The sales made by any one person are expected to reach this quota, to warrant a fixed standard of pay. Often the sales person receives a percentage of the excess above the quota of his section. Suppose one's sales to total above $150 a week, the selling clerk may receive three per cent of the excess. Again, in some stores all selling clerks receive a percentage, as one half of one per cent, on all sales made during the holiday season.

CHAPTER VIII

THE OFFICE DEPARTMENT

Its Nature. This is the division with which the firm or proprietors of a department store have closest connection. It is the division in which all departments meet and in which the business of the store centers. Here all finances and accounts are adjusted and controlled. This division is sometimes called the department of office work.

Simple Office Divisions. Stores differ greatly in office divisions and methods, according to the magnitude of business and the number and personality of owners and managers. The simplest divisions, found in effect in the actual working of all stores, are the Main Office, from which the chief activities of the house are directed; the Retail or Charge Office, in which credit accounts are kept; and the Auditing Department, which reviews the transactions of the entire business.

Divisions in Office Work in the Highly Organized Store. The office is divided into the following divisions, with subheads:

1. The Credit and Collection Department investigates the financial standing of applicants for credit, approves the opening of charge accounts, and makes collection after the bills have been rendered.

2. The Charge Account Bookkeeping makes a record of all the charge sales, debiting and crediting customers' accounts, and sees that itemized statements are sent to the customer at the close of each month, and that all payments by customers are properly posted.

3. The Cashier's Office, or Accounting Room, as it is sometimes called, receives and deposits all of the cash which comes in, and keeps a record of all that goes out, debiting and crediting the proper accounts for each item.

4. The C.O.D. Division has charge of the accounts for all sales made to customers on a C.O.D. basis, keeps an individual record of each sale, and sees that the transportation company delivers the merchandise and that proper returns are made to the cashier's office.

5. The Auditing Department is responsible for a daily examination and comparison of all transactions. It sees that the record of each sale as made by the selling department agrees with the cash received and charge accounts billed and the C.O.D. accounts billed, rendering a daily report of its work and verifying the total transactions for the day.

6. The Purchase-Records Department keeps a record of all outstanding orders for merchandise, enters on the daily sheet all invoices of merchandise, making sure that they are properly checked with the actual merchandise received, and returns the invoices to the payment department for entry and payment.

7. The Payment Department has charge of the payment of all bills by check after they have been properly approved for receipt of the merchandise, its quality and

quantity, correct price, correct extension and footings, and for final authorization for payment.

8. The Stock-Record Department keeps a record by selling departments of the merchandise received, listed by date and day of invoice, name of manufacturer, total cost and retail of each invoice, and per cent of profit on each invoice.

9. The Statistical Department furnishes all kinds of statistical statements and reports for the information of

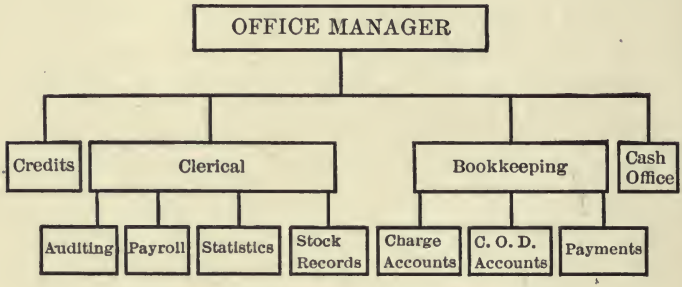


DIAGRAM OF THE OFFICE DEPARTMENT

the executives of the business, usually in comparative form and in great variety.

Positions in the Office Department in the Highly Organized Store: Treasurer and assistant treasurer; office manager, who has charge of the keeping of the records; assistant recording manager; credit manager, or credit man, who has oversight of the credit system of the store; assistant credit man; head auditor, who examines all accounts; cashiers; heads of retail divisions, who have charge of the office accounts of their division; head of the division for the payment of bills; head of the

division for C. O. D. bills; head of the division of store records; head of the pay-roll department; clerks in each division; collectors who follow up outside accounts; stenographers and operators of typewriters; bookkeepers; secretaries; and office boys.

There are various titles for clerks in the office department in different stores, determined by the particular duties of the clerk, such as billing clerks, who make out bills in the case of credit accounts, authorization clerks, who pass on sales to credit customers, and ledger clerks, who keep ledger accounts.

Some stores use an outside collecting agency or have a regularly employed attorney.

The Bookkeeper. The bookkeepers form a distinct division. They are really "ledger clerks," or "ledger men," whose work consists in posting accounts to ledgers. They are generally young men. Some stores demand previous training in bookkeeping, others give an opportunity for a boy to learn it in office routine.

An Actual Case of Advancement. Herewith is given an actual case of advancement in the office of a department store. This advance was almost exactly duplicated in a second store and is typical of the possibilities of office work.

At the age of sixteen a boy entered the retail office as office and errand boy; at seventeen he was copying and adding on books; at eighteen he was figuring on invoices and on rates of profits; at nineteen, on rates of profits; at twenty he was making stock statements and profit statements; at twenty-one he was assistant in the stock office; at twenty-six he was head of the

foreign office; at thirty-four he was assistant to the treasurer; and at thirty-five he became the treasurer of the corporation.

In these particular cases advancement resulted from hard and persistent effort and provided opportunity. Such advantage was taken of the first small promotions that there was fitness for the larger openings as they came, and the young man rose high in the service at a comparatively early age.

The Boy in the Office Department. The boy may enter this department at the age of fourteen as an office boy at $3, $3.50, or $4 a week. After several years he would not generally receive over $5 or $6. If of sufficient ability he might be promoted to some clerical position in a division of the office or be transferred to some other department of the store. Older boys with evident ability or previous experience may enter in an advanced position as office clerk or assistant at $8 or $9 a week, advancing to $12 or $15. A boy may sometimes enter as a stenographer and operator of typewriter at $6 a week, and advance to $15 or $20 after several years. The usual limits of pay for bookkeepers are $12 and $18. Heads of office divisions receive from $20 to $50 a week, while managers are paid salaries of several thousands of dollars a year.

Service in this department is generally permanent, whether one masters only routine duties or becomes a division head or manager. In every case efficiency is of permanent value to the entire system and receives proper reward in the matter of promotion and salary.

CHAPTER IX

THE ADVERTISING DEPARTMENT

Its Nature. This is the division of publicity. Its work is to make known to the public the merchandise of the store. This is done in the daily papers or other periodicals, and by catalogues, circulars, placards, and store display, by a clear, concise, and attractive presentation of the nature and prices of goods for sale. The department must be in constant touch with all branches of the business.

The Modern Trend. The advertising department is making great advancement in scope and in methods at the present time. Modern advertising is opening up a new field of occupation in all lines of trade, and nowhere is it more effective or noticeable than in the retail advertising of the great department store. The matter of department-store publicity is often a question of the personality and ability of the head of the business. In many of our great stores the owner is a better advertiser than trader. In other stores the converse is true; the proprietor may be a good buyer and seller but have little or no ability in advertising, succeeding largely by means of his superior trading qualities. On the one hand, a merchant who is a natural advertiser finds it necessary to surround himself with men who can bring to the business more skill and natural aptitude and experience in

merchandising than he himself may possess. On the other hand, the man who is a natural trader but lacks the faculty of advertising will need more the services of men skilled in publicity. The newer conception, which is likely to be followed in the development of the function of retail advertising, is to take a larger view of both merchandising and advertising — to regard one as the buying and productive function and the other as the sales or distributing function, comprehending all forms of selling. This is the line on which the trade of the larger stores of the country is developing.

Divisions in Store Advertising. The customary divisions of the publicity department of the store are newspaper advertising, art department, sign department, circulars and announcements. In some stores the mail-order department is an advertising division; in others it is entirely separate. In some stores the advertising department is responsible for windows; in others this, also, is a separate division of the business. In some stores the advertising department is really a subdivision of merchandising; in most, however, it is an entirely separate department, responsible only to the head of the entire business.

Positions. The usual positions are the advertising manager, assistant advertising manager, and office assistants; the head of the art department and other artists; the head window dresser and assistants; the head of the sign department, sign writer, and assistants.

The Publicity Manager. The head of the advertising department must have versatility, breadth of view, and extensive knowledge of human nature. He is the

spokesman of the business, and must present it in such a manner as to attract and hold the patronage of the public. While leading in the work of his department he must also follow the established policy of the house. He must keep in touch, as well, with methods used in the general field of advertising. His best preparation is threefold, coming from experience in merchandising, selling, and newspaper work. The publicity manager

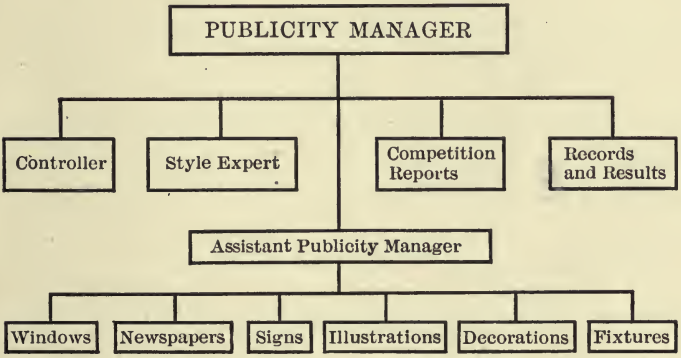


DIAGRAM OF THE ADVERTISING DEPARTMENT

is the composite of an active newspaper man and an enterprising merchant.

By a natural division of the duties of the department the manager may be assisted by men who occupy important places in the store publicity.

Important Assistant Positions. There is usually an expert copy writer who understands also the use of types in printing. This writer knows exactly how much material will fill a certain amount of space and how to make the fewest words possible bring the greatest

results. Copy writers go into departments for material or call for it from the departments. There may be another person whose work consists in looking after the newspapers. He should know the nature, circulation, and advertising rates of all the papers in his city and suburban towns. He sees that a set of scrapbooks is kept in which are pasted all the advertisements of the store, cut from the various papers, as well as advertisements of other stores. Such information is of the highest value to the department and to the buyers of merchandise. Another assistant may keep a record of appropriations for advertising purposes and of the results, or the percentage of business gained from the outlay. He keeps a record, also, of the amount of newspaper space used by each department. There should be at least one artist to make drawings of merchandise for cuts and designs for special advertising. There should be one especially expert stenographer to take dictated copy from the manager or copy writers and to put it into such shape that the compositor can set it up readily and accurately.

The Boy in the Advertising Department. The age limits for entering this department are usually fourteen and eighteen years. A boy would enter as errand boy or as helper to an advertising man, at $3 a week, but if nearer the higher limit of age and of evident ability he would receive $3.50 or $4. In this department he is generally chosen for his intelligence. His duties consist of running errands between the office and the different departments, carrying copy, assisting the newspaper man, and making himself generally useful. He

may advance to $6 in two or three years' time. Then, if of sufficient literary ability or training and of good judgment in handling advertising matter, he might be promoted to preparing advertisements, as received from buyers or assistant buyers of departments, for newspaper insertion. The pay for this work varies from $12 to $30 a week, averaging from $18 to $20. The next step would be assistant advertising man; the final, advertising manager. Assistant managers receive from $20 to $35, and managers are paid a salary of from $50 a week to as high as $10,000 a year.

Work producing Advertising Men. At the present time in the great stores more successful advertising men have come from newspaper work than from any other field. Many young men in the stores are now receiving their training under such advertising managers. Some buyers, because of their knowledge of merchandise and their ability to set forth its selling qualities, have found their place in the advertising department of a store. Young men from the selling department, also, enter the store-publicity work.

Advertising holds an even place with the other divisions of the department store. It offers fewer positions for employment, but calls for high ability and presents large opportunities to young men with fitness for its duties.

CHAPTER X

CONDITIONS OF SERVICE

Hours of Employment. The hours of service in the good department store are usually from 8.30 to 5.30, or 6 o'clock, with an hour off for lunch. Through the summer season stores usually close at five o'clock, and on Saturday afternoons at one o'clock. Some stores keep open evenings in the holiday season, and extra time is sometimes required of employees who have to do with the care of stock.

Seasonal Increase in Trade. In some departments and in stores which are in part specialty houses, trade is in a degree seasonal. While a large and steady volume fills the entire year, special sales and seasons in the year bring such an increase of trade as to call for the addition of temporary employees. The largest increase comes at the time of the Christmas holidays. On the whole this seasonal increase does not greatly affect the service and prospect of the regular employees.

The diagram on page 149 shows the seasonal and special fluctuations in the volume of trade.

Seasonal Increase and Decrease in Number of Employees. The largest volume of trade occurs in the spring and fall, or in the months of April, October, November, and December. The store which carries a full line of holiday goods, including a toy department, increases its

number of employees by from twenty to thirty per cent at the Christmas holidays. The same store falls about ten per cent below the normal in the periods of least trade, or in vacation time. The specialty store increases from ten to fifteen per cent at its busiest period and decreases about ten per cent in vacation time. An ordinary department store, employing, for instance, four thousand people, usually enlarges this number by eight

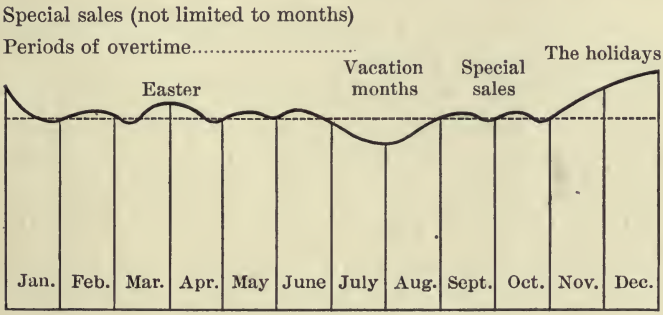


DIAGRAM OF SEASONAL CHANGES

The curved line represents approximately the usual temporary increase and decrease in the volume of business; the broken line, the normal or average trade for the year

hundred or more in the holiday season, and falls below by three or four hundred in the dull season. The best of those taken at the holiday season may be retained permanently, while the least efficient of those in earlier service in the store may be discharged. On the other hand, there is a growing number of people, mostly young and having comparatively small personal expenses through living at home, who seek holiday employment only. Each year these people form a

considerable part of the increased number of employees in retail stores of all kinds in the holiday season.

Vacation. Employees who have served a store for one year or more generally have an annual vacation of two weeks with pay.

Physical Conditions. In older buildings there are sometimes insufficient light, ventilation, and space for comfortable service, but the best sanitary engineering is now secured in the modern department-store building.

Influences making for Fatigue. In the busy retail house there is a tension not found in the wholesale house or in the various lines of manufacture. The selling force works in an atmosphere charged with excitement. The bustling, hurrying, changing crowds, the meeting of so many people, the constant effort to do one's work quickly and acceptably, especially with the added need of pleasing the customer, produce more than physical weariness; they are nerve-wearing influences. Yet these same forces operate to make the mind alert and the wit keen, and to produce the efficient clerk and executive. Moreover, these strain-producing conditions are, in the better stores, offset in a measure by the various features of welfare work, by the effort of the store management to make the business atmosphere congenial and helpful, and by the spirit of comradeship that pervades the body of employees in a department and throughout an entire store.

The objections of greatest weight against service in a department store, such as low pay, poor ventilation, standing, and overwork, apply rather to the lower-grade stores and especially to female service.

Competition in Service. A disadvantage to the young man, perhaps the worst he has to encounter in the department-store field, is that of competition from female service. Girls and women are found in preponderating numbers in the great retail houses, and in some cases occupying higher positions, such as buyer or assistant buyer. Certain departments call for feminine taste and instinct, and the superior selling abilities of women in many lines of merchandise are generally recognized. In certain specialty stores, for instance, the sales force consists entirely of girls and women; and the positions in certain minor divisions of the large store not treated at length in this study, such as Information Bureau, Refund Desk, and Post-Office Station, are filled regularly by female employees.

The relative divisions of employees in department stores at the present time are very nearly thirty per cent male and seventy per cent female. In the general store, male help is usually found in the heavy sections, such as furniture and carpets, often in the sections carrying the more expensive lines, such as silks, and almost exclusively in the division of men's clothing.

Where the Way Divides. There is a period between the service of the boy and that of the man when advancement seems to cease. This occurs usually when the limit of the boy's earnings has been reached and when only a few out of many employees may be promoted to the higher positions. It comes in merchandising, for instance, between the grade of head of stock and that of assistant buyer. When one has passed this line of demarcation his success in merchandising depends

largely on his ability. Again, in selling, in the smaller stores, there are few intermediate places between the ordinary clerk and the heads of departments. This period might be termed a point of turning, or a parting of the ways. The dull boy will drop out; the bright, capable boy is likely to go on.

The boy or young man of average ability may earn up to $10 or $12 in various places; above this there are few openings below $18 or $20. The higher business and executive positions call for marked ability and capacity, and the great majority of boys fail to reach them. A conservative estimate indicates that of the boys who enter department stores less than ten per cent remain permanently, and of this number probably from ten to twenty per cent only reach the higher places. The greater number leave the service at this point, where earnings cease to advance. Ambitious young men are attracted only by the high or executive positions in merchandising, superintending, selling, advertising, or recording.

To remedy this condition and to secure a fairly permanent body of trained employees, the most progressive department stores are organizing educational features, and are analyzing avenues of promotion with a spirit and energy which must enhance the value of department-store work as a vocation. Such stores as fail to appreciate the need of this service to their employees will be unable to attract the qualified youth.

Service in a department store provides the best of practical training for one who may wish later to enter into business for himself or to seek employment in a specialty store or in a smaller establishment.

CHAPTER XI

SOCIAL-SERVICE WORK

The Nature of this Work. In establishments whose employees number hundreds or thousands, there arises a need for various kinds of work for their general welfare. Much has been done along these lines in recent years in the best department stores. To-day the effort to make the business atmosphere congenial is one of the decided advantages to a young person who is about to enter the field. Managers in the business are recognizing more and more the need of consideration for the social welfare of the person employed and that among the conditions conducive to the best results are not only lighting, ventilation, and sanitation, but general good-fellowship among employees, permanent advancement, and social and vocational opportunities. There are now in most of the larger stores persons whose sole function is to study the needs of all employees and to provide the means for improving their general efficiency and welfare. Each store in which these agencies are developed provides rooms or meeting places for this new department of social-service work.

The boy, therefore, who enters the well-regulated department store may feel that provision is made for his educational advancement along the lines of the business and for his social and material well-being.

Three Lines of Opportunity. The work of this division falls into three general lines of opportunity or training, educational, administrative, and social, all of which tend to increase the welfare and efficiency of the employee.

These may be grouped as follows:

Educational Training

The School of Salesmanship. By its school of salesmanship the department store supplements the work of the public schools and gives practical training to the employee whose work lies in selling.

1. Class Work. This work is carried on by a regular instructor, who may be the educational director or an assistant. Employees of all ages and of all terms of service are taught the principles of salesmanship and sales-slip practice. Such a system of training in selling is the oldest and one of the most important forms of efficiency work in the modern store.

A recent account of such a school in one large store contains the following:

The value of the school is perhaps best illustrated by the attitude of the sales people themselves. At first there was an erroneous impression on the part of some that the classes were made up of sales people whose work was indifferent or unsatisfactory and that attendance was a reflection on their selling ability. This impression has now entirely disappeared. Those who at first thought it would be a stigma to attend are loudest in their praise of the school and of the value of the training which it gives, many have expressed regret that the classes were not longer, and there have been numerous requests for permission to take the very same course a second time. It has been especially gratifying that sales people of many years' experience

have frankly and voluntarily acknowledged the great assistance which they have received from the work.

Buyers and floor superintendents are in the best position to see the results of the training received in the classes. The success of their departments depends to a large extent on the efficiency of their sales force. They can and do observe the work which is being done by each sales person, note the improvement on the part of each one who has attended the classes, and compare the work with that of other sales people who have not yet had the opportunity of receiving instruction. The verdict of the buyers and floor superintendents is unanimous. They have spoken in the most flattering terms of the good results achieved and of the great improvement which even a short course makes in the work of their sales people. The buyers and floor superintendents select those who are to attend the classes, and they are all eager to have as many of their sales people as possible receive the benefit which the instruction gives.

Some of the topics treated in lectures by floor superintendents have been the following: The Attitude of Sales people toward the Floor Superintendent; Courtesy; Coöperation; Habits; The Care of Stock; The Advantage of the School; Ambition; Honesty; Discipline; Appearance; Patience; Opportunity; The Willing Worker.

Administrative Training

1. Efficiency Bulletins. Small bulletins are usually issued at regular periods, for the purpose of giving employees expert information and suggestion upon points of salesmanship and efficiency service. These bulletins are placed in the hands of the floor managers, who read them to their employees, with added comment as occasion may require, and post them in proper places. Such a bulletin generally deals with one important topic, from the point of view of the store management.

2. Merchandise Conferences. The buyer regularly gives informal talks to the sales force in his department as to the nature of merchandise to be sold.

3. Efficiency Records. These are rating sheets for the younger employees, such as stock and floor boys and girls, who are doing work of an apprenticeship nature. These records are made out monthly by their immediate executive, the floor manager.

Such records are placed on file in the educational office.

4. School Enrollment. This means practically vocational guidance, or advice, extending to all the people in the organization. The educational director, or adviser, holds interviews with employees, to discuss their former training, present ambitions, and further courses of study in schools or classes outside of the store. A record is kept of all such school attendance. Some department-store employees are enrolled in university-extension courses.

Provision is made, also, for admission to outside lectures which are likely to be of a stimulating and helpful character.

Social Features

Under this heading may be grouped all those advantages which have nothing to do directly with training one for better service in his department. Every regular employee of the store is entitled to be a member of the associations or clubs organized in this division. Generally no dues are imposed and participation in club work is optional. The chief organizations may be enumerated as follows:

1. A Mutual-Aid Association, established to give its members a voice in their government, to increase their efficiency, and to add to their social opportunities.

2. An Insurance or Mutual-Benefit Association, with a very small initiation fee and weekly dues, which provides a definite benefit in case of sickness or death.

3. A Savings-Deposit System for employees, guaranteed by the firm against all losses. Employees may leave their pay on deposit, with interest as in a savings bank.

4. A Medical Department, free to employees, with a medical adviser who comes to the store at certain stated periods for consultation with store people who may be in need of such services. In some cases a woman physician is added to the staff and a nurse is provided. General lectures upon health are given before meetings of employees. In connection with this department health and athletic committees are frequently formed.

5. The Lecture Committee. Health talks have led to lecture courses, with well-known speakers on subjects of interest, given regularly at the end of the store day.

6. The Library Committee. This committee supplies the popular trade and literary magazines, books, and daily papers.

7. The Suggestion Committee, organized "to encourage thought and to interest employees in the policy and activities of the store." This committee offers prizes for suggestions that may in any way result in help or profit to the business.

8. The Entertainment Committee, which arranges summer outings, or various social meetings for employees.

9. The Club-House Committee, which provides a dining room or advantages for lunches or low-cost food for employees.

10. The Music Committee, whose duty it is to arrange for the musical training or practice of employees.

11. A Store Paper, containing matters of social or special interest to employees.

Workers in this Division. The names of positions in welfare work are as yet unsettled. The terms "educational director" and "welfare manager" have been in use in some stores. The educational director has charge of agencies for the training of employees in efficiency; the welfare manager, of social work or of all activities for the promotion of efficiency and well-being. The manager and director are regularly assisted by subcommittees of store people, or by special helpers such as may be necessary to conduct any activity in welfare work.

A Sample Daily Club Report. Herewith is given a sample "Consolidated Daily Report of Store Organizations" used by one of the great stores of the country. The list of this report includes such organizations as are additional to the customary work of a store and may be called clubs. The training given in these clubs is educational and disciplinary, and increases the interest and efficiency of the employee for the business with which he is connected. It creates an *esprit de corps* in an establishment and repays many fold any outlay on the part of a firm. The advancement of the young person depends largely upon the individual. He should show a readiness and willingness to profit by the opportunities for training provided by the store.

CONSOLIDATED DAILY REPORT OF STORE ORGANIZATIONS

Organization	Membership	Absent	Time	Location
Classes				
Senior Branch				
Junior Branch				
Cornet Section				
Bass Section				
Traps and Drums				
Clarinet Section				
Saxophone Section				
Alto Section				
Boys' Bugle				
Boys' Drum				
Advanced Violin				
Beginners' Violin				
Orchestra				
Glee Club				
Military Band				
Senior Bugle and Drum Corps .				
Junior Bugle and Drum Corps .				
Military and Physical Drills .				
Provisional Company, A . . .				
Provisional Company, B . . .				
Hospital Corps				
Junior Boys				
Veteran Corps' Meeting . . .				
Dramatic Club Rehearsal . . .				
Debating Club Meeting . . .				
Board of Officers' Meeting . .				
Alumni Association				
Choral Society				
Business Club				
Athletic Association				
Beneficial Association				
Employees' S. and L. Assoc. .				
Carriers' Inspection				

CONSOLIDATED DAILY REPORT OF STORE ORGANIZATIONS (CONTINUED)

ORGANIZATION	MEMBERSHIP	ABSENT	TIME	LOCATION
Classes				
Night-Watch Drill				
House Porters' Drill				
Fire-Tower Drill				
Valve Drill				
Fire Brigade Drill				
Elevator Operators' Drill . . .				

REMARKS

Signed.....

CHAPTER XII

THE EMPLOYEE, PAY, AND PROMOTION

SUGGESTIONS FROM AN EMPLOYER TO YOUNG PERSONS WHO MAY WISH TO ENTER THIS OCCUPATION

I bring to you a message from the World of Business. You demand my credentials; you want to know by what right and authority I dare to encroach upon the domains of your minds and try to influence your thought. In other words, you want to know whether I am a competent authority on my subject or not.

My answer is that I have lived in the business world, both here and in Europe for many years, that I have employed many thousands of boys and girls, men and women, and that my duties have given me large opportunities for observation. Are my credentials satisfactory? It is your right and duty to examine a man's credentials before you allow his influence to enter into your life, whether he be your physician, your lawyer, or business man. I think this is of vast importance and I hope I have made my point clear.

Now I want you to imagine that you have finished your school education and that you are at my office door seeking employment.

I will tell you before you enter that I shall be influenced to a large extent by your personal appearance. Much depends upon my first impression of you. Many a young man has received short audience in my office because his linen was soiled and his hands yellow with nicotine, and more than likely I have turned away some men and women of ability, just on account of the bad impression they made upon me by their untidy personal appearance. I tell you this, that you may see the great importance of always looking your best, and especially when seeking a position.

Now we will assume that I am satisfied with your personal appearance; my first impression of you has been in your favor, but that is not enough. The only safe way to judge a man's future is to know his past. You must fill out one of these application blanks that I show you, in which, as you see, I ask you many pertinent questions; you must account to my satisfaction for a certain number of years of your life. You must give me the names of everybody by whom you have been employed, also the name of your last school teacher. I shall write to all these people, asking them to substantiate your statements and to give me their opinion of your honesty and ability, assuring them that their replies will be treated as absolutely confidential. Your employment now depends upon the answers I receive from these people. If there is the least doubt about your honesty, I shall not hire you. But if all of your references as to honesty are good, added to the good impression your appearance has made upon me, even though your last employer does not speak highly of your ability, I may engage you, and trust to the new environment to make an efficient man of you, but you must bring to my office a clean bill of character, or your case is hopeless.

Now we will assume that you have satisfied me on every point. I have been impressed by your courteous manner and your personal appearance. Your former employers and your school teacher, in answer to my inquiries, have recommended you highly as to character and ability, and I have decided to take you into the employ of the great house I represent. Before taking you and turning you over to the head of the department in which I intend to start you, I will ask you to take a seat in my office, while I give you some sound advice.

Always, and under all conditions, be courteous. I know of nothing that will help you over the difficulties you will encounter in the world, and in your work, like courtesy. Everybody stands ready to help the courteous man or woman. I think the most powerful words in the English language are "please" and "thank you." You can lift mountains with them.

Another link in the chain that I am forging for you is perseverance. Without this link, your chain is weak indeed. I want to tell you of a certain type of boy who comes to me for employment.

I look up from my desk and say that we have no opening to-day. Still he persists, saying that he is willing to do anything, no matter what it is. Again I answer, telling him I am sorry, but I have nothing to offer him. He goes to the door and then again turns back with some new suggestions as to his ability to fill some position. By his very perseverance he has attracted my attention, and I say to myself, if that boy is as persistent with his work as he is with me, he will be a success. He has won. I hire him.

You tell me that you have always been afraid to go to work in a great department store, with its thousands of employees, for fear that you would be overlooked and your ability not recognized. Let me tell you that the larger the store, the more and the better the opportunities for your ability. If you are overlooked, it's your fault. *Do something to attract attention to yourself.*

For educational equipment, you must be able to write a good plain hand, to express yourself in the English language with precision and brevity, and to spell correctly. You must be able to do examples in common arithmetic, such as addition, subtraction, extension, discount, and percentage.

What surprises the business man, is the deficiency in these things that he finds in many boys and girls who take up the business life. You would be surprised if you knew how a large concern suffers from poor work in these simple requirements. The principal fault of the average man and woman who apply for work in which these requirements are necessary is *inaccuracy.*

Let your training be as accurate as possible in the studies I have mentioned. Cultivate honesty, courtesy, accuracy, initiative, persistency, and a love of hard work, and you have, altogether, a good equipment with which to make a business success.

Some Qualities Required. The requirements for service in a department store are exacting. Boys who enter should have good health and habits; they should be willing to work hard, through a long and busy day, and to obey as if under a military system; they should be neat in appearance, gentlemanly in manner, and

quick to think and act. One who looks to the higher places must have executive ability or business capacity, and show faithfulness and interest in any minor or intermediate position that he may hold. Stores are conducted first of all on business principles, and the young man whose service is most efficient, or most profitable to the business as a whole, is the one selected for promotion.

Educational Training. Most of the good department stores require at least a full grammar-school education. One must have the simple English branches, with good training in penmanship, the English language, and arithmetic. Elementary business and commercial courses are helpful, and a high-school education is an advantage. The young man as well as the young woman may now offer a knowledge of stenography and typewriting. In executive positions in the most advanced stores are found college graduates or men of advanced educational or mercantile training, in increasing numbers. The courses in finance and business administration now offered in some colleges and universities are of the highest value to the young man who would fit himself to go into the department-store field as into a profession.

Young men with the simplest education have advanced to the highest places in the great stores in the past, in many cases growing up with the business; but at the present time there is a large and increasing demand for the best of business-educational training and equipment.

There are two main lines of purpose and progress open to the department-store employee who wishes to make his mark. The first, and perhaps more advisable, is to train himself to become a

thoroughly efficient and expert department-store man; the second, to achieve expertness in some particular department.

To accomplish the first, one must acquire something more than a superficial knowledge of many things, — of the many different businesses that center in the department store as a whole. He must know something of the express and freight business, something of the arts of advertising and correspondence, something of arithmetic and accounts, of salesmanship and merchandising, of seasons, demand, and supply. He cannot know too much or be too competent. He must become a master of department-store routine and requirements. Such a man has a training that gives his services a commercial value wherever English is spoken and goods are sold.

If you have decided to become a department-store expert, a transfer from one department to another can only broaden your experience, enlarge your knowledge, and acquaint you with problems that you have not before had the opportunity to study.

The other course is to specialize; to select some particular kind of merchandise — woolens, linens, millinery, ready-made garments — and study and learn that line literally from the ground up; to familiarize oneself with the production of the raw material, with processes, methods, varieties, qualities, markets, prices, and seasons.

If it be your purpose to specialize, a transfer may mean any of several things, — that you are not as valuable in your special branch as you had supposed, or that you have proved yourself so useful in some specific way that your services in that respect are, temporarily, more valuable to the house in some other department than in your own. If your specializing is as good as you take it to be, it will be strong enough to draw you back to your chosen department when the temporary stress is over.[1]

Pay. Pay for the unskilled and untrained boy who enters the department store is about what he will earn at first in any mercantile business. It runs from $3 to $6 a week for the boy from fourteen to eighteen years

[1] Quoted from a department-store paper.

of age, and is rather a matter of age than of position. By promotion and transfer he may advance to $12 or $15, outside of selling, or to $18 as a salesman. In some of the larger stores salesmen of high ability in certain departments, such as rugs, furniture, or silks, may receive as much as $35 or $40 a week. It requires special ability and aptitude to reach the higher positions that lie beyond the break between the $12 position, which may be taken as an average of the lower grades, and places paying $20 or more. The man's pay in the various lines of store service ranges from $10 or $12 upward.

While it may be said that the rank and file of employees can be easily replaced, yet because of the remarkable growth of department stores in recent years there has arisen an increased demand for employees, greater than time alone could produce, especially for the higher positions. Pay, therefore, in these advanced places is higher than under old conditions or than it would otherwise be. At the present time there are not enough boys and young men of higher ability and fitness entering the department stores to fill the places of greater responsibility and profit when reached in course of service. Accordingly stores are obliged to search among their employees for persons worthy of promotion, to take help from smaller houses and specialty stores, and often to advertise for help for particular lines of service or for the holiday trade.

Pay in the upper positions, then, must be such as to draw young men of the desired qualities, of experience, or with a knowledge of merchandise and trade conditions. Salaries range from $20 or $25 a week, or from

$1000 to many thousands of dollars a year. Heads of departments, buyers, superintendents, advertising men, and merchandise men receive as high salaries as are paid generally in the world of commerce or manufacture.

Promotion. Because of the great number of merchandise departments in a modern store and the thousands of people employed, there must be constant promotion all along the line. Positions are left vacant by persons who leave the store through unfitness, to enter other occupations, or on account of age; and new positions are steadily created through the expansion of business. As has been said already in this study the chief opportunity of the boy is found in the merchandise department. Knowledge of merchandise may bring an opening for him in all departments except that of office work which, like office work in any other field, is not dependent upon the nature of the business. He may grow up in merchandising to buying, or through selling to superintending, or find a place in advertising where knowledge of merchandise is a prime factor.

Some positions, as elevator boy and shipper, are not in the nature of apprenticeship and bring no advance, though transfers from such duties are frequently made.

A boy may be transferred from one department to another whenever he seems fitted to fill an opening position. Superintendents and managers are constantly promoting and transferring boys and young men to keep the upper places filled, and taking on new help for the places left open at the bottom. There is constant change with continual effort to obtain, promote, and hold the most efficient people. It is not easy to

obtain boys who have patience and determination to stand by when the break comes between the boy's pay and the man's pay, after three or four years of service. Most boys who enter department stores, even though some of them are worthy of advancement, drop out at this time. From the small percentage remaining, the higher places, numbering into the hundreds in most of the large stores, must be filled.

Advice from a Store Manager. Herewith are given certain points of advice, touching upon promotion, from the general manager of one of the largest and best-known department stores in the country:

1. Remember that the larger and stronger the organization, as a rule, the slower the progress of a beginner therein, but the greater the reward in the end, to the one who will stick and continue to grow.

2. Advancement is inevitable and need not be sought elsewhere, provided the young man in question continues to study as well as work. He must know his present "job" and perform its duties thoroughly, but in addition he must be climbing higher in his observation, thinking, studying, and reading, so that instead of settling into a rut he is steadily broadening in his knowledge and capacity.

3. When he finds himself sought out with offers of positions elsewhere he may fairly well conclude that he is making good progress where he is, and that in all probability to hold on until he has reached or is ready for the top, where he now is, will do more for him in the end than to step aside for that which may offer a little larger sum immediately in hand but is only a way station.

There are those who need to drift around from place to place, because in so doing they receive the knocks and the pressure which compel progress. These are those who have not got it in them to compel their advance from within themselves. Those who can do the latter usually rise best by perseverance and continuance in the suitable thing or the position first undertaken.

In the great majority of cases service in a department store is of high value as a training for a boy; many who leave the large establishment go into good positions in other stores or in other fields.

Positions which bring a boy into contact with the firm, with the stock, or with customers are the ones that lead him ahead.

Actual Cases of Advancement. The most usual lines of promotion and transfer for boys may be best shown by actual examples in one of the large stores, among those investigated, for the month of July, there being from one to six cases of each of the following: floor boy to retail office; floor boy to shipping room; office boy to stock boy; office boy to time desk; errand boy to inspector; errand boy to truckman; teller to stock boy; inspector to retail office; inspector to mail-order department; inspector to receiving room; inspector to stock boy; inspector to examiner; inspector to busheling room; inspector to adjustment office; truck to salesman; truck to inspector; truck to office; stock boy to salesman; elevator boy to salesman in the bedding section. To this may be added a few cases of young men during the same time and in the same store: salesman to floor superintendent; cashier to retail office; assistant buyer to buyer in the hosiery department; salesman to overseer of juvenile help; assistant buyer of silks to manager of a millinery house of an outside firm; from the stock office of the store to the department of school supplies of the city of Boston, through a civil-service examination.

This was in the comparatively quiet season of the year. About twenty new boys were taken into the business to fill the vacancies caused by such promotions.

Following are some examples of actual advancement in a large store, of boys who began and continued their business career in one store exclusively. At the earlier periods indicated by these dates the term "cash boy" was in more general use than at the present time.

ENGAGED AS CASH BOY, SEPTEMBER, 1887

Cash Boy	8 months
Office Boy in Superintendent's Office	12 years
Stock Boy in Hosiery and Underwear	1 year
Salesman in Hosiery and Underwear	1 year
Decorator and Buyer's Clerk in same	2 years
Assistant in same	2 years
Buyer now in same	5½ years

Makes two Foreign trips annually.

ENGAGED AS CASH BOY, NOVEMBER, 1899

Cash Boy	1 year
Errand Boy in Bureau of Adjustments	1 year
Clerk in Bureau of Adjustments	1 year
Tracer in Bureau of Adjustments	1 year
Office Boy in Furniture	9 months
Clerk in Furniture Office	2 years
Stock Clerk in Furniture	2 years
Assistant and Buyer	3½ years

ENGAGED AS CASH BOY, DECEMBER, 1888

Office Boy in Superintendent's Office	3 years
Clerk in Superintendent's Office	4 years
Chief Clerk in Superintendent's Office	3 years
Assistant in Oriental Goods	6 years
Buyer of Oriental Goods	6 years

Makes annual Foreign trip.

ENGAGED AS CASH BOY, MAY, 1904

Cash Boy	5 months
Office Boy in Bureau Adjustments	6 months
Stock Boy in House Furnishings	1 year
Stock Keeper in Ladies' Suits	3 years
Head of Stock in Ladies' Suits	2 years
Assistant Head now	8 years

ENGAGED AS CASH BOY, OCTOBER, 1894

Cash Boy	1 year
Office Boy and Clerk in Notions	3 years
Stock Boy in same department	2 years
Charge of Stock in same department	4 years
Second Assistant in same department	4 years
First Assistant in same department now	3 years

The following quotation from a government investigation[1] is of interest, although on the employment of women, as agreeing with the investigations whose results are presented in this book, and as pointing the way for the boy as well as the girl.

The dominant forces in department-store organization, of course, are the men who furnish the capital. They provide the money and they expect results. They must know and trust their assistants. The greatest care is necessary, therefore, in their selection. A large department store employs a manager, who engages the buyers and has general supervision of the departments; and a superintendent of employees, who has general charge of the working force. Next in rank to the manager are the real heads of departments, or "buyers," as they are generally called. These are men or women who have risen from the ranks.

[1] "Wage-Earning Women in Stores and Factories." Volume V of Report on the Condition of Women and Child Wage Earners in the United States, 1910, Department of Commerce and Labor, Senate Document No. 645, p. 40.

In nearly every case they are graduates from behind the counter. The rank of buyer or assistant buyer is, therefore, the highest position open to females. It is the goal of the ambitious saleswoman — the dream of many a little cash girl. Next in rank below the buyers and assistant buyers, or department heads, are the saleswomen, who constitute nearly half of all the women employees.

What are the requirements of a good saleswoman? A verbatim quotation from an official of one of the largest department stores in the country shows what is expected of her:

"Expert knowledge of goods and stock; expert knowledge of people and the community in which the store is located; expert knowledge of styles, fashions, and customs; intimate knowledge of the principles and policies of the store; absolute honesty in dealings; utmost courtesy and kindness; accuracy in filling orders; a good memory for names and faces; a single desire to please and satisfy the customers, upholding at all times the dignity and honor of the store. Good goods and good service are the great foundation stones of a store, and the sales people must help to keep these foundations firm. Physical health and cleanliness of person and a clear brain are of vital importance."

SUMMARY OF POSITIONS

Members of the Firm or Corporation, or High Officials

- Proprietor
  - President
  - Secretary
  - Treasurer
- General Manager
  - Board of Managers
    1. The Merchandise Manager
    2. The Store Manager (General Superintendent or Superintendent of Selling)
    3. Office Manager
    4. Advertising Manager

I. The Merchandise Department

The Merchandise Manager
The Assistant Merchandise Manager

1. *The Receiving Room*

Head Receiver
Assistant Head Receiver
Receiving Clerk
Examiner
Bill Clerk
Porters
Handlers

a. Returned-Goods Department

Clerk
Packers
Assistant Packers

2. *The Marking Room*

Head Marker
Assistant Head Marker
Markers

3. *The Stock Room*

Stock Man
Stock Boys, or Assistants

4. *The Division of Buying*

Buyers
Assistant Buyers
Heads of Stock
Office Clerks

II. Superintending and Selling

The Store Manager, or General Superintendent

1. *The Employment Office*

The Employment Manager
Assistant Employment Manager
Office Clerks

2. *Floor Superintending*
   The Floor Superintendent, or
   Floor Manager
   Floor Clerk

3. *Selling*
   Superintendent of Selling
   Selling Clerks
   Floor Boys

4. *The Educational or Welfare Department*
   The Educational Director, or
   Welfare Manager
   Assistant Workers

5. *The Division of Expense*
   The Expense Man
   Assistants

6. *The Division of Supply and Construction*
   The Superintendent of Construction
   Purchasing Agent
   Head Engineer
   Engineers
   Electricians
   Carpenters
   Painters
   Head Elevator Man
   Elevator Men
   Head Porter
   Porters
   Night Superintendent
   Watchman
   Cleaners

7. *The Mail-Order Department*
   Head of the Mail-Order Department
   Assistant
   Department Clerks

8. *The Delivery System*
   The Head Examiner
   Assistant Head Examiner
   Head Shipper
   Assistant Head Shipper

Shippers
Collectors of Bundles
Bookers, or Entry Clerks
Billing Clerks

III. The Office Department

The Treasurer
Assistant Treasurer
Attorney to the Firm
Office Manager
Assistant Office Manager
Credit Manager
Assistant Credit Manager
Head Auditor
Assistants
Secretaries
Cashiers
Heads of Retail Divisions
Heads of Payment Divisions
Heads of Store-Records Divisions
Assistants and Clerks in these Divisions
Collectors
Stenographers
Operators of Typewriters
Bookkeepers
Billing Clerks
Authorization Clerks
Ledger Clerks
Office Boys

IV. The Advertising Department

The Advertising Manager
Assistant Advertising Manager
Office Assistants
Head of the Art Department
Artists
Head Window Dresser
Assistants
Head of the Sign Department
Sign Writer
Assistants
Errand Boys

Positions not limited to the Department Store. Many of the positions enumerated in the four great divisions of the department store belong to other kinds of retail trade as well. Such are the selling clerk, the bookkeeper, and the shipper. Among positions not enumerated, and found in other kinds of stores, may be mentioned two, the furrier and the store detective.

The Furrier. The furrier must be a person skilled in the making of fur garments, or with such knowledge of fur goods and their manufacture as to be efficient as a salesman. The buying of furs is done by some buyer who handles other lines as well. The pay, while higher than that of the unskilled employee in ordinary lines, varies according to the skill of the furrier and the magnitude of that department in a business. One should prepare for this position in the regular furrier's establishment.

The Store Detective. Modern conditions of doing business, such as the increased volume of trade and crowded aisles, especially in the holiday season, compel the large store to protect itself from the loss of goods by theft through the employment of a store detective. A very large store has one or more in permanent service; smaller stores, at least one in the holiday season. The store detective must have native talent for detective work, keen knowledge of human nature, power of observation, and caution. It is an important and well-paid occupation. Actual detective work is usually done by women; the man generally acts as chief of detectives.

Additional Activities. Some of the very large department stores conduct certain branch lines of business or

manufacture in connection with their general trade, thus reaching out into other and smaller fields of enterprise. These lines include clothing, furniture, kitchen ware, sporting goods, pianos, jewelry, and a few other kinds of goods sold in the general store.

Heads of Factories. The superintendents and responsible heads of such factories, plants, or workrooms are often selected from among the employees of the store itself, sometimes being the personal representatives of the proprietor. In every case the enterprise exists as an expansion of the store, and must contribute to its annual profits. The managers of the branches, therefore, must be in close touch with the main business. The body of employees, on the other hand, is chiefly composed of people who have no connection with the store.

TABLE IX. NUMBER AND PROPORTION OF PERSONS IN THE GENERAL DIVISIONS OF OCCUPATIONS. NUMBER AND PER CENT OF DISTRIBUTION, U. S. CENSUS, 1910

Table 8 Sex and General Division of Occupations	Number 1910	Per Cent Distribution
Both Sexes		
All occupations	38,167,336	100.0
Agriculture, forestry, and animal husbandry	12,659,203	33.2
Extraction of minerals	964,824	2.5
Manufacturing and mechanical industries	10,658,881	27.9
Transportation	2,637,671	6.9
Trade	3,614,670	9.5
Public service (not elsewhere classified)	459,291	1.2
Professional service	1,663,569	4.4
Domestic and personal service	3,772,174	9.9
Clerical occupations	1,737,053	4.6
Male		
All occupations	30,091,564	100.0
Agriculture, forestry, and animal husbandry	10,851,702	36.1
Extraction of minerals	963,730	3.2
Manufacturing and mechanical industries	8,837,901	29.4
Transportation	2,531,075	8.4
Trade	3,146,582	10.5
Public service (not elsewhere classified)	445,733	1.5
Professional service	929,684	3.1
Domestic and personal service	1,241,328	4.1
Clerical occupations	1,143,829	3.8
Female		
All occupations	8,075,772	100.0
Agriculture, forestry, and animal husbandry	1,807,501	22.4
Extraction of minerals	1,094	Less than $\frac{1}{10}$ of 1%
Manufacturing and mechanical industries	1,820,980	22.5
Transportation	106,596	1.3
Trade	468,088	5.8
Public service (not elsewhere classified)	13,558	0.2
Professional service	733,885	9.1
Domestic and personal service	2,530,846	31.3
Clerical occupations	593,224	7.3

TABLE X. NUMBER AND PROPORTION OF PERSONS IN THE GENERAL DIVISIONS OF OCCUPATIONS. NUMBER AND PER CENT OF DISTRIBUTION BY DECADES, 1880–1910

Table 9	1910		1900		1890		1880	
Sex and General Division of Occupations	Number	Per cent distribution	Number	Per cent distribution	Number	Per cent distribution	Number	Per cent distribution
Both Sexes								
All occupations	38,167,336	100.0	29,073,233	100.0	23,318,183	100.0	17,392,099	100.0
Agricultural pursuits	12,567,925	32.9	10,381,765	35.7	9,148,448	39.2	7,713,875	44.4
Professional service	1,825,127	4.8	1,258,538	4.3	944,333	4.0	603,202	3.5
Domestic and personal service	5,361,033	14.0	5,580,657	19.2	4,220,812	18.1	3,418,793	19.7
Trade and transportation	7,605,730	19.9	4,766,964	16.4	3,326,122	14.3	1,871,503	10.8
Manufacturing and mechanical pursuits	10,807,521	28.3	7,085,309	24.4	5,678,468	24.4	3,784,726	21.8
Male								
All occupations	30,091,564	100.0	23,753,836	100.0	19,312,651	100.0	14,744,942	100.0
Agricultural pursuits	10,760,875	35.8	9,404,429	39.6	8,378,603	43.4	7,119,365	48.3
Professional service	1,151,709	3.8	827,941	3.5	632,646	3.3	425,947	2.9
Domestic and personal service	2,740,176	9.1	3,485,208	14.7	2,553,161	13.2	2,237,493	15.2
Trade and transportation	6,403,378	21.3	4,263,617	17.9	3,097,701	16.0	1,808,445	12.3
Manufacturing and mechanical pursuits	9,035,426	30.0	5,772,641	24.3	4,650,540	24.1	3,153,692	21.4
Female								
All occupations	8,075,772	100.0	5,319,397	100.0	4,005,532	100.0	2,647,157	100.0
Agricultural pursuits	1,807,050	22.4	977,336	18.4	769,845	19.2	594,510	22.5
Professional service	673,418	8.3	430,597	8.1	311,687	7.8	177,255	6.7
Domestic and personal service	2,620,857	32.5	2,095,449	39.4	1,667,651	41.6	1,181,300	44.6
Trade and transportation	1,202,352	14.9	503,347	9.5	228,421	5.7	63,058	2.4
Manufacturing and mechanical pursuits	1,772,095	21.9	1,312,668	24.7	1,027,928	25.7	631,034	23.8

TABLE XI. DISTRIBUTION BY GENERAL DIVISIONS OF PERSONS 10 YEARS OF AGE AND OVER ENGAGED IN GAINFUL OCCUPATIONS, BY DIVISIONS AND STATES, 1910. TRADE AND TRANSPORTATION

Table 10	Number			Per Cent Distribution	
Division and State	Total persons occupied	Transportation	Trade	Transportation	Trade
United States	38,167,336	2,637,671	3,614,670	6 9	9.5
Geographic divisions					
New England	2,914,680	188,988	310,187	6.5	10.6
Middle Atlantic	8,208,885	652,862	982,279	8.0	12.0
East North Central	7,257,953	551,880	768,797	7.6	10.6
West North Central	4,449,043	347,913	460,740	7.8	10.4
South Atlantic	5,187,729	256,840	317,895	5.0	6.1
East South Central	3,599,695	143,190	190,624	4.0	5.3
West South Central	3,507,081	181,850	244,748	5.2	7.0
Mountain	1,107,937	114,309	96,493	10.3	8.7
Pacific	1,934,333	199,839	242,907	10.3	12.6
New England					
Maine	305,457	20,679	26,275	6.8	8.6
New Hampshire	191,703	11,196	14,583	5.8	7.6
Vermont	144,089	8,470	10,837	5.9	7.5
Massachusetts	1,531,068	105,521	183,519	6.9	12.0
Rhode Island	251,901	14,352	27,238	5.7	10.8
Connecticut	490,462	28,770	47,735	5.9	9.7
Middle Atlantic					
New York	4,003,844	320,480	545,359	8.0	13.6
New Jersey	1,074,360	93,541	129,549	8.7	12.1
Pennsylvania	3,130,681	238,841	307,371	7.6	9.8
East North Central					
Ohio	1,919,055	152,999	201,441	8.0	10.5
Indiana	1,036,710	75,711	99,676	7.3	9.6
Illinois	2,296,778	194,236	284,569	8.5	12.4
Michigan	1,112,998	70,480	104,414	6.3	9.4
Wisconsin	892,412	58,454	78,697	6.6	8.8
West North Central					
Minnesota	835,452	76,230	86,761	9.1	10.4
Iowa	826,313	65,123	85,087	7.9	10.3
Missouri	1,288,336	91,313	143,608	7.1	11.1
North Dakota	217,418	13,813	17,910	6.4	8.2
South Dakota	219,077	12,292	19,225	5.6	8.8
Nebraska	441,114	36,008	46,869	8.2	10.6
Kansas	621,333	53,134	61,280	8.6	9.9

TABLE XI. DISTRIBUTION BY GENERAL DIVISIONS OF PERSONS 10 YEARS OF AGE AND OVER ENGAGED IN GAINFUL OCCUPATIONS, BY DIVISIONS AND STATES, 1910. TRADE AND TRANSPORTATION (CONTINUED)

Division and State	Number			Per Cent Distribution	
	Total persons occupied	Transportation	Trade	Transportation	Trade
South Atlantic					
Delaware	85,863	6,013	7,444	7.0	8.7
Maryland	541,164	42,776	61,646	7.9	11.4
District of Columbia	157,965	12,441	20,552	7.9	13.0
Virginia	795,568	49,033	52,324	6.2	6.6
West Virginia	448,490	32,531	27,555	7.3	6.1
North Carolina	947,839	29,601	39,028	3.1	4.1
South Carolina	728,627	17,402	25,710	2.4	3.5
Georgia	1,160,126	46,092	61,430	4.0	5.3
Florida	322,087	20,951	22,206	6.5	6.9
East South Central					
Kentucky	866,980	42,116	60,281	4.9	7.0
Tennessee	855,546	43,659	59,189	5.1	6.9
Alabama	997,524	33,749	42,743	3.4	4.3
Mississippi	879,645	23,666	28,411	2.7	3.2
West South Central					
Arkansas	672,403	24,624	31,372	3.7	4.7
Louisiana	679,183	40,754	47,896	6.0	7.1
Oklahoma	598,629	32,629	49,754	5.5	8.3
Texas	1,556,866	83,843	115,726	5.4	7.4
Mountain					
Montana	178,747	23,978	13,280	13.4	7.4
Idaho	131,088	11,833	10,586	9.0	8.1
Wyoming	73,606	10,839	3,927	14.7	5.3
Colorado	338,724	32,088	39,139	9.5	11.6
New Mexico	121,497	9,413	6,957	7.7	5.7
Arizona	87,825	8,698	6,230	9.9	7.1
Utah	131,540	12,322	12,979	9.4	9.9
Nevada	44,910	5,138	3,395	11.4	7.6
Pacific					
Washington	521,501	60,525	56,923	11.6	10.9
Oregon	305,164	35,021	34,386	11.5	11.3
California	1,107,668	104,293	151,598	9.4	13.7

TABLE XII. NUMBER OF PERSONS 10 YEARS OF AGE AND OVER ENGAGED IN SPECIFIED OCCUPATIONS. ARRANGED ACCORDING TO THE CLASSIFICATION OF 1900, FOR BOTH SEXES AND FOR EACH SEX SEPARATELY, 1880–1910

Table 15 Occupation	Both Sexes				Male				Female			
	1910	1900	1890	1880	1910	1900	1890	1880	1910	1900	1890	1880
Trade and transportation	7,605,730	4,766,964	3,326,122	1,871,503	6,403,378	4,263,617	3,097,701	1,808,445	1,202,352	503,347	228,421	63,058
Agents	378,296	241 162	174,582	33,989	359,194	230,606	169,707	33,553	19,102	10,556	4,875	436
Bankers and brokers	[1]71,191	73,277	35,968	19,373	[1]69,945	72,984	35,458	19,240	[1]1,246	293	510	133
Boatmen and sailors	77,715	78,406	76,874	88,537	77,655	78,253	76,823	88,478	60	153	51	59
Bookkeepers and accountants	482,814	254,880	159,374	[2]504,454	297,815	180,727	131,602	[2]474,110	184,999	74,153	27,772	[2]30,344
Clerks and copyists	1,183,801	630,127	557,358		951,790	544,881	493,139		232,011	85,246	64,219	
Stenographers and typewriters	316,693	112,364	33,418		53,378	26,246	12,148		263,315	86,118	21,270	
Commercial travelers	163,620	92,919	58,691	28,158	161,027	91,973	58,080	27,886	2,593	946	611	272
Draymen, hackmen, teamsters, etc.	736,085	538,933	368,499	177,586	735,791	538,029	368,265	177,586	294	904	234	—
Foremen and overseers	[1]104,053	55,450	36,084	—	[1]100,721	54,032	35,109	—	[1]3,332	1,418	975	—
Hostlers	[1]63,462	64,929	54,036	31,697	[1]63,456	64,850	54,014	31,697	[1]6	79	22	—
Hucksters and peddlers	80,415	76,649	59,083	53,491	76,630	73,734	56,824	50,999	3,785	2,915	2,259	2,492
Livery-stable keepers	[1]34,795	33,656	26,757	14,213	[1]34,612	33,466	26,710	14,180	[1]183	190	47	33
Merchants and dealers (except wholesale)	939,987	790,886	660,239	479,439	878,241	756,802	634,884	464,687	61,746	34,084	25,355	14,752
Merchants and dealers (wholesale)	64,166	42,326	31,086		63,157	42,065	30,890		1,009	261	196	
Messengers, errand and office boys	117,187	71,622	51,355	13,985	105,822	64,959	48,446	13,585	11,365	6,663	2,909	400

Officials of banks and companies	[1] 143,602	74,072	[3] 39,900	[2] 15,553	[1] 139,643	72,801	[3] 39,683	[2] 15,553	[1] 3,959	1,271	[3] 217	—
Packers and shippers	[1] 95,767	59,545	24,946	9,342	[1] 49,718	39,557	18,426	8,810	[1] 46,049	19,988	6,520	532
Porters and helpers (in stores, etc.)	135,272	54,191	24,356	37,214	127,097	53,625	24,002	34,754	8,175	566	354	2,460
Salesmen and saleswomen[4]	875,180	611,139	264,394	32,279	624,742	461,909	205,943	24,535	250,438	149,230	58,451	7,744
Steam-railroad employees	1,084,544	582,150	462,213	236,058	1,079,886	580,462	460,771	235,611	4,658	1,688	1,442	447
Street-railway employees	153,697	68,919	37,434	[2] 11,687	153,140	68,873	37,423	[2] 11,683	557	46	11	[2] 4
Telegraph and telephone linemen	38,380	14,757	[5] 11,134	—	37,758	14,757	[5] 10,465	—	622	—	[5] 669	—
Telegraph and telephone operators	167,846	74,982	52,214	[2] 23,166	71,365	52,426	43,740	[2] 21,891	96,481	22,556	8,474	[2] 1,275
Undertakers	20,734	16,189	9,891	5,113	19,921	15,866	9,808	5,058	813	323	83	55
Other persons in trade and transportation	[1] 76,428	53,434	16,236	[2] 56,169	[1] 70,874	49,734	15,341	[2] 54,549	[1] 5,554	3,700	895	[2] 1,620
Auctioneers	3,990	2,808	3,205	2,331	3,985	2,805	3,203	2,328	5	3	2	3
Newspaper carriers and newsboys	29,708	6,893	5,288	3,374	29,435	6,824	5,216	3,298	273	69	72	76
Weighers, gaugers, and measurers	12,587	6,666	3,860	3,302	11,867	6,487	3,842	3,291	720	179	18	11

[1] Figures for 1910 approximate only.

[2] Partly estimated.

[3] Includes officials of mining and quarrying companies (number not stated) classified in 1910 and 1900 with manufacturers and officials under "Manufacturing and mechanical pursuits" (miscellaneous industries).

[4] Salesmen and saleswomen are often returned as "Clerks in stores."

[5] Includes electric-light-and-power-company employees, classified in 1910 and 1900 with "Other miscellaneous industries," under "Manufacturing and mechanical industries."

PART THREE

FINANCE AS ILLUSTRATED BY BANKING

PART THREE

CHAPTER XIII

BANKING

The Business: its Nature, Divisions, and Future. There are six kinds of banking institutions in the United States,—federal reserve banks, national banks, state banks, trust companies, savings banks, and building and loan associations. Besides these there are many private firms of bankers, and stock and bond brokerage houses, whose business is in many respects closely allied to that of the banks.

The essential functions of a bank are to receive deposits and make loans. There are also a number of other services performed by different kinds of banks, such as issuing notes and dealing in domestic and foreign exchange.

National banks derive their charters from the national government. They serve as depositories for public funds and for individuals and firms. They grant credit and in large measure furnish a medium of exchange in the form of checks, as well as that of currency, which they are allowed to issue under the National Bank Act. The national bank is a commercial bank and loans largely to commercial interests. Sometimes it has a savings department.

State banks are essentially the same in the character of their business as the national banks, except that they do not issue notes. They are chartered by the state and regulated by state officials.

The trust company receives its charter from the state in which it is located. It can do all that the national bank can, except to issue currency. It receives money on deposit, makes loans, grants credits, acts as trustee for individuals and estates and as transfer agent for corporations. Some trust companies have savings departments.

The savings bank, also, receives its charter from the state. In Massachusetts and New York all savings banks are mutual, the deposits being the capital of the bank and not subject to check. Investments of savings banks are all limited by public statutes, and first mortgage on real estate is the preferred form of security. Mutual savings banks are in the nature of philanthropic institutions.

The building and loan association is chartered by the state. It is the most democratic form of banking. Its distinctive feature is the compulsory system of monthly payments by depositors, this being its sole form of deposit. Investments are almost wholly in first mortgages on real estate. In Massachusetts the building and loan associations are called coöperative banks.

The stock and bond business is carried on without incorporation, usually by brokerage firms which are ordinary partnerships. Members of a stock exchange deal in railroad and industrial stocks and bonds and in town and city bonds.

Under the Federal Reserve Act of 1913 there have been established twelve federal reserve banks, which began business simultaneously on November 16, 1914. These banks are similar in character of organization to other banks, with the exception that their capital is subscribed by banks and that their business is only with banks. National banks and state institutions that may avail themselves of the privilege of joining the system are obliged to deposit a portion of their reserve moneys in these banks.

The federal reserve banks will make the commercial notes invested in by its members available for reserve purposes through their rediscounting function. They will also issue federal reserve bank notes which in time will probably take the place of the notes now issued by the national banks, and they will become clearing houses for checks on banks throughout the country.

While the new system modifies the national banking system, it will not materially change the work of the bank employee. It will, rather, in some degree increase the avenues of opportunity to the efficient and ambitious young man in the banking business.

The physical conditions of the occupation are of the highest grade. A possible danger is that of the messenger service, on the street and in carrying large sums of money. There is great moral danger to young men on the speculative side of the stock and bond business, and, as a rule, no broker is allowed to receive orders from a clerk of another firm.

There is keen competition among national banks and trust companies in bidding for deposits, and in the

stock and bond business for speculation and investment. There is little competition among savings banks and coöperative banks. These have their lists of depositors, and interest rates are controlled by business conditions.

The business of the future in all lines will be excellent, because of the vital connection of the banking business with the money system of the country, and with all lines of activity in the financial and industrial world.

The Board of Directors. The management of commercial banks and trust companies is vested in a board of directors elected by the shareholders. The usual qualifications for a director are that he shall be a citizen of the United States and the owner of at least ten shares of the stock of the bank or trust company, free from all encumbrance. In the case of mutual savings banks these officers are called trustees, and are elected by the corporation.

Executive Officers. The chief executive officers of a bank are generally the president, vice president, cashier, and assistant cashier. In large banks there may be more than one vice president and more than one assistant cashier. In trust companies and savings banks the title of the officer whose duties correspond to those of the cashier is usually "treasurer."

The President and Vice President. The president is the chief executive of the board of directors. He has general supervision of the business of the bank in its various departments. He determines or joins with other officers in determining loans and investments and other

matters of great importance in the business of the bank. The vice president is usually authorized to act in the absence or inability of the president. Otherwise he performs such duties as are assigned to him by the directors.

The Cashier and Assistant Cashier. The cashier is usually the chief executive officer of a bank in the routine of its management. He is generally made responsible for all the moneys, funds, and valuables of the bank. He signs all contracts, checks, drafts, and circulating notes. The assistant cashier performs duties assigned to him by the directors, especially in the way of relieving the cashier of smaller responsibilities.

Departments of Bank Work. The departments of a bank are made up of the following divisions: paying, receiving, discount or note division, collections and correspondence, loans and discounts, bonds and stocks, foreign exchange, credit, information, bookkeeping, and advertising.

These departments cover in a general way the work that is constantly going on within a bank under the cashier as the executive head. There may be a chief clerk under him who has supervision of the clerical force, giving them general instructions and guidance, and settling points of doubt on matters of detail about which the cashier need not be troubled. There are assistant tellers and clerks, messengers, porters, and various employees whose number and duties are determined by the volume, character, and variety of the business of the particular bank. Though departments may be clearly defined in their main function, they come in contact at many points, and there is much passage to and fro between them.[1]

[1] The Modern Bank, by A. K. Fisk. D. Appleton and Company, New York, 1904.

In the small bank some of these departments may be consolidated, but the duties remain the same even when performed by fewer persons.

The Paying Teller. The paying teller is provided with money to meet the ordinary demands of a day's business. When a check, usually drawn on the bank itself, is presented for payment, the paying teller examines it as to genuineness of signature and as to the amount called for, and satisfies himself in regard to the identity of the person presenting the check. He stamps checks thus paid and enters them in a memorandum book. At the close of the day he foots up his entries and deducts the amount from his cash on hand in the morning. He makes a final statement of the day's transactions, turning it over to the general bookkeeper.

The Receiving Teller. The receiving teller is the individual with whom customers deposit money or other funds. He sees that a customer's deposit slip shows clearly the amount deposited, and enters the amount in the pass book of the depositor. He also enters the name of the depositor and the amount in a blank book, which must contain all the day's transactions and agree with the amount of cash deposited. He assorts each day's deposits, doing up currency in bags or packages and stamping and listing checks. In a very large bank the receiving teller acts as receiver only; the details of the division are attended to by other clerks or departments.

Discount Clerk. The duty of the discount clerk is to number and enter in a book, called the discount register, all loans and discounts made by the bank. He keeps a memorandum of all payments upon loans and discounts,

at the close of the day giving a statement to the general bookkeeper and turning over all money received to the paying teller. In some banks these duties are performed by the note teller.

Collection Clerk. The collection clerk has charge of all time drafts and notes, not payable on demand, turning them over to the note teller or corresponding clerk just previous to maturity.

Corresponding Clerk. The corresponding clerk keeps a record of all items to be sent away by mail, and sends them as time for payment approaches. He receives remittances and passes them to the discount clerk or note teller.

Mail Clerk. The mail clerk opens the mail, checks off the contents of letters, and turns over all papers to the proper officials or departments. At the close of the day's business he sees that remittances and collections from individuals and banks are acknowledged.

Exchange Clerk. The exchange clerk fills out checks or drafts on other banks or bankers, has them signed by the proper officer, and receives and turns over to the proper teller all money or checks taken in payment.

The Bookkeeping Department. In the banking business it is especially necessary that all transactions shall be recorded in a clear, simple, and systematic manner. Every precaution must be taken to guard against fraud or dishonesty from any source. A modern bank is compelled to do many things involving much clerical labor and expense and resulting in a very elaborate bookkeeping system. In an especial sense the business of a bank rests upon the efficiency of its bookkeeping force.

The Head Bookkeeper. The head bookkeeper has charge of this important division of the work. He must be a skilled accountant, have executive ability, and understand thoroughly all details of the bank's activities.

The General Bookkeeper. The "general bookkeeper" is the term applied in banks to the bookkeeper who keeps the "general ledger" of the bank, upon which, simply and accurately recorded, appear condensed results of all transactions, and the resources and liabilities of the business under their chief divisions. He keeps, also, a separate account for every bank with which business is done, a profit and loss account, and a "general statement" book in which balances are shown. He must also be a reliable and skilled accountant.

The Auditor. In large banks there is an auditor, who reviews accounts, vouchers, and records of receipts and expenditures, and is in direct charge of the accounting department.

Department of Advertising. A recent departure in some of the larger financial institutions is the establishment of an advertising department which attends to all the publicity work of the various departments. By the formation of such a division better results can be obtained than when this work is handled by an officer in the bank or by some outside agency.

The work of this department consists in bringing to the attention of the public the various ways in which a financial institution can serve it. The methods employed in doing this are by advertising in the newspapers and financial magazines, by sending out special literature, and by personal solicitation.

The Advertising Manager and his Assistants. The advertising manager, with a corps of assistants, gives his entire time to the planning and carrying out of ways and means of securing new business.

The employees of such a division necessarily must have a general idea of the details of the various departments in order that they may be able to explain to the public, either personally or through the channels mentioned above, any of the departments in an intelligent manner. Therefore the men selected for this work are generally those who have had experience in several departments.

Pay, Positions, and Opportunities. In the lowest position in banking, that of errand boy, very young boys receive $4 and $5 a week. For regular messenger service the pay begins at $6 a week or $300 a year, increasing, on an average, at the rate of $100 a year. Young men as check tellers, clerks, bookkeepers, and bond salesmen receive from $800 to $1000 a year. The average bank employee receives about $1100 a year. Tellers, who must be responsible and able men usually of thirty years or over, have salaries ranging from $2200 upwards.

Savings banks, being comparatively free from competition and more conservative in form, pay somewhat higher salaries and offer a better future to one who must remain in the ranks of the business.

Bank officers receive high salaries because of the responsibilities involved and the abilities called for. Officers and heads of departments in banks are not always taken from the employees; they are often

selected by the directors from their acquaintance in the business world.

The Boy; Qualities and Training Required. Rarely are boys employed in the banking industry under sixteen years, which is the more general age for entering. Some banks will not employ them under nineteen years of age on account of the great responsibility of the messenger service. Boys should be gentlemanly, neat-appearing, intelligent, honest, businesslike, and able to concentrate their minds upon their daily work and to keep silent in regard to the bank's business when outside the bank.

The ordinary high-school education is the general requirement for banking. Some boys enter the business without completing the high-school course, but are consequently often unable to make proper advancement. Courses in business schools are desirable, and one should have fair training in mathematics and bookkeeping and be a good penman. In one bank investigated, having one hundred ninety-five employees, there were but three college graduates, one being the cashier. Banking men wish that this condition were different, but know that it is best for those who enter the occupation to do so during their minority.

SUGGESTIONS FROM A BANKER TO A BOY WHO WISHES TO ENTER THIS OCCUPATION

A boy who is to enter a bank should be obliging, punctual, and have a pleasing personality. Things of prime importance, also, are neatness and accuracy in figures and in handwriting. One's penmanship should be legible and rapid.

Naturally the boy in a bank should have good habits. The bank clerk is expected to have a high order of behavior; he must not frequent saloons and pool rooms, as to do so would endanger his own standing or that of the firm by which he is employed.

If you feel that you have these qualities and can meet these conditions, you may safely enter the banking business. It is difficult to obtain good bank clerks and faithful and efficient bank officers in the great cities to-day.

About March the first each year banks begin to increase their force on account of the coming summer vacations of their employees. Banking business is so heavy and so continuous that new boys and young men must be taken in early enough to learn the duties of those whose places they will fill during vacation time. Of the new employees thus added annually those who show marked ability are retained. The boy also of fair ability and absolute trustworthiness is usually provided for.

Banks very generally also employ boys from the public schools as messengers during the summer vacation.

In applying for a position at a bank you should be able to refer to two or three good men as to your character. If nothing comes from the application, keep following it up, for the bank wants the boy or man who wants the place, and many apply. Take whatever is offered in position or in pay, if you want this occupation. You will be offered what others are receiving in the same place.

You should know, if possible, upon entering a bank the names, nature, and principal features of ordinary business documents, such as notes, checks, and bills, and something of commercial law. Further knowledge of business documents will come in your service in the bank. Your mathematics may well include practice in algebraic problems. Language requirements are simple, extending only to the ordinary use of English. If you obtain work in the summer vacation, or your service in the bank allows, you should later take such courses of study as are offered on banking by schools of administration and finance. You will thus become of greater service to the firm by which you are employed, and will more surely place yourself in line for advancement.

The Annual Report of the Comptroller of the Currency. The following tables are drawn from the annual reports of the Comptroller of the Currency, who is charged with the duty of chartering the national banks and of supervising their operation, and with the execution of the banking laws of the United States. He makes an annual report to Congress which contains elaborate statistical tables showing the condition of national banks for the year covered by the report and giving comparable figures for previous years.

The Comptroller obtains and publishes in his annual reports information, also, in regard to the various banking institutions organized under the authority of the different states and territories. This information is obtained from state officials and other authentic sources, and is fairly complete for incorporated institutions which are generally under public supervision. Private banks and bankers are supervised in but few states, however, and the reports of the Comptroller contain statistics for only about one fourth of such banks in the country. The total returns published by the Comptroller each year represent about eighty-three per cent of the banking capital of the United States.

Statistics compiled from the Reports of the United States Comptroller of the Currency for 1900, 1905, and 1910

A. GROWTH IN NUMBERS OF BANKS, 1900, 1905, AND 1910

Kinds of Banks	Number in 1900	1905	1910	Per Cent of Increase, 1900–1910
National banks	3,617	5,858	7,218	99.6
State banks	4,369	7,794	9,839	125.2
Loan and trust companies	290	683	1,091	276.2
Savings banks	1,002	1,237	1,759	75.5
Building and loan associations[1]	5,485	5,265	5,737	4.6
Private banks (The number reporting only)	989	1,028	934	0.6[2]
Total numbers	15,752	21,865	26,578	68.7

B. GROWTH OF NATIONAL BANKS FROM 1900 TO 1910

Number of National Banks in Existence, Authorized Capital Stock, Bonds on Deposit to secure Circulation, Circulation secured by Bonds and by Lawful Money, on March 14, 1900, October 31, 1905, and 1910

	March 14, 1900	October 31, 1905	October 31, 1910	Per Cent of Increase, 1900–1910
Number of banks	3,617	5,858	7,218	99.6
Authorized capital	$616,308,095	$812,026,075	$1,015,897,135	64.8
Bonds on deposit	244,611,570	494,017,850	694,926,070	184.1
Circulation, on bonds	216,374,795	489,937,806	691,335,845	219.5
Circulation, on lawful money	38,027,935	34,470,443	33,538,463	13.4[2]
Total circulation	254,402,730	524,408,249	724,874,308	184.9

[1] This includes coöperative banks in Massachusetts. [2] Decrease.

C. CHIEF ITEMS OF THE AGGREGATE RESOURCES AND LIABILITIES OF NATIONAL BANKS IN 1900, 1905, AND 1910

Resources	1900	1905	1910
Loans and discounts	$2,706,534,643.35	$4,016,735,497.99	$5,467,160,637.98
Bonds	508,061,920.00	561,776,080.00	737,477,181.00
Cash	500,957,169.06	622,092,079.89	851,685,037.13
Total resources . .	$5,412,089,692.52	$7,563,155,823.55	$9,826,181,452.36

Liabilities	1900	1905	1910
Capital stock . . .	$632,353,405.00	$808,328,658.00	$1,002,735,123.25
Surplus fund	262,387,647.59	420,785,055.00	648,268,369.97
Individual deposits .	2,623,997,521.88	3,989,522,834.51	5,145,658,367.65
Total liabilities . .	$5,412,089,692.52	$7,563,155,823.55	$9,826,181,452.36

D. CHIEF ITEMS OF THE AGGREGATE RESOURCES AND LIABILITIES OF STATE BANKS FOR 1910

Resources	1910	Liabilities	1910
Loans and discounts	$2,406,000,000.00	Capital stock . . .	$435,822,833.58
Bonds	303,600,000.00	Surplus	187,571,005.45
Cash	240,580,836.12	Individual deposits	2,727,926,986.03
Total resources .	$3,694,958,766.81	Total liabilities . .	$3,694,958,766.81

E. CHIEF ITEMS OF THE AGGREGATE RESOURCES AND LIABILITIES OF LOAN AND TRUST COMPANIES IN 1910

Resources	1910	Liabilities	1910
Loans and discounts	$2,565,729,106.24	Capital stock . . .	$367,333,556.37
Bonds	1,000,263,549.84	Surplus	432,718,233.98
Cash	260,129,890.91	Individual deposits	3,073,122,706.20
Total resources .	$4,216,850,061.52	Total liabilities . .	$4,216,850,061.52

F. NUMBER OF SAVINGS BANKS IN THE UNITED STATES, NUMBER OF DEPOSITORS, AMOUNT OF SAVINGS DEPOSITS, AVERAGE AMOUNT DUE EACH DEPOSITOR, AND AVERAGE PER CAPITA IN THE UNITED STATES, 1900–1910

Year	Number of Banks	Number of Depositors	Deposits	Average Due Each Depositor	Average per Capita in the United States
1900 . . .	1002	6,107,083	$2,449,547,885	$401.10	$31.78
1901 . . .	1007	6,358,723	2,597,094,580	408.30	33.45
1902 . . .	1036	6,666,672	2,750,177,290	412.53	34.89
1903 . . .	1078	7,035,228	2,935,204,845	417.21	36.52
1904 . . .	1157	7,305,443	3,060,178,611	418.89	37.52
1905 . . .	1237	7,696,229	3,261,236,119	423.74	39.17
1906 . . .	1319	8,027,192	3,482,137,198	433.79	41.13
1907 . . .	1415	8,588,811	3,690,078,945	429.64	42.87
1908 . . .	1453	8,705,848	3,660,553,945	420.47	41.84
1909 . . .	1703	8,831,863	3,713,405,710	420.45	41.75
1910 . . .	1759	9,142,908	4,070,486,246	445.20	45.05

Other Forms of Business. The great lines of business employments treated in the several parts of this book are inclusive and typical of the few forms not yet named or considered at length. The difference, for instance, between wholesale and retail trade is plain. The retailer sells to the consumer; the wholesaler, to the middleman, jobber, or to the retailer. Wholesale business offers fewer positions than retail, but in general these positions are more permanent and more highly paid. Business ability, however, in all lines is sought after and usually adequately rewarded. Along with the manufacturing and mechanical pursuits we have mining, quarrying, and fishing. Agriculture, also, is classed with the same group, as in the statistical tables presented in

this volume. It stands at the head of the list, as shown in dairying, in the number of persons employed upon its business side. In connection with manufacture we have a quite distinct group called the building trades, with the following major divisions, carpentering, masonry, painting, paper hanging, plastering, plumbing, roofing and slating, each with its offices and business employees. Other occupations, also, whose nature is chiefly that of business, are presented in the statistics at the end of Part II. Some of these are real estate; life, property, or other insurance; private and public corporations, such as the railroad and street railway, telegraph and telephone; the great field of the business side of institutional work; public service and civic service, such as the business of towns and cities, of county government and the state, and of the national government.

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